

16 Nov 2019: Comprehensive News Analysis

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Category: POLITY AND GOVERNANCE

1. Kerala will not allow women to visit the Sabarimala shrine

Context:

Supreme Court verdict asking for the constitution of a larger bench to consider the Sabarimala case.

Details:

- The Supreme Court has decided to refer major components of its 2018 verdict granting unrestricted entry for women of child-bearing age to the temple for another review.
- Though the bench has stated that the previous judgment upholding the women's fundamental right to equality and worship at the temple stays, there is a need for a larger bench to consider issues raised in the review petitions.
- The Kerala government has decided not to allow women in the menstruating age group to visit the Sabarimala Ayyappa temple and to wait till a seven-member Bench of the Supreme Court takes a final call on a batch of review petitions referred to it for final scrutiny.

Category: INTERNATIONAL RELATIONS

1. U.S. trade negotiators to visit Delhi for more talks

Context:

India-US trade talks.

Details:

- Following 18 months of negotiating, a limited trade package between the two countries may be finalized soon. Trade negotiators from the Office of the U.S. Trade Representative (USTR) are expected to visit New Delhi.

Key differences:

- Price caps or 'trade margin rationalization' for knee implants and cardiac stents have been one of the key differences between the two countries. India states that it is necessary to protect the needs of the poor to health access. US believes that this move is against free-market practices.
- Also under discussion has been the Generalised System of Preferences — a preferential market access programme the U.S. offers developing country partners. India's GSP benefits were revoked on the grounds that India had not assured the U.S. that it would provide "equitable and reasonable" access to its markets. India has wanted its GSP benefits restored but it is unclear whether any limited trade agreement reached between the sides will result in a full or partial restoration of GSP benefits to India. The extent of GSP restoration has been one of the discussion points between the two sides.
- India also wants a roll-back of tariffs on steel and aluminium imports into the U.S. that was imposed in 2018 across countries.
- Both India and the U.S. have wanted greater access for agricultural commodities in each other's markets. The U.S has wanted lower Indian tariffs on apples, almonds, and walnuts. The U.S. has also wanted tariff concessions on Harley Davidson motorbikes, dairy products and Information Communication and Technology products. India has been reluctant to move on ICT products, concerned that it would open Indian markets up to a flood of Chinese goods.

Significance:

- Significant progress has been made and a limited trade package might be finalized.
- Though the limited trade package won't be very big value-wise, but after roughly 18 months of negotiating and almost six months since GSP was suspended, it would be a symbolic win for both sides.
- This might clear the initial hurdles in the path of a future full-fledged trade deal. Trade ties between the two countries will only help strengthen the strategic relationship between the two.

Category: ECONOMY

1. ArcelorMittal's takeover of Essar cleared by SC

Context:

Supreme Court verdict in the ArcelorMittal and Essar steel case.

Background:

- In 2018, Supreme Court (SC) used its extraordinary powers under article 142 to give ArcelorMittal and Numetal a chance to pay off the non-performing assets (NPAs) of corporate debtors as a precondition to buy Essar steel.
- ArcelorMittal paid off the debts owed by Essar and resubmitted a resolution plan for Essar following which Essar's Committee of Creditors (CoC) approved Arcelor's final negotiated resolution plan.
- The National Company Law Tribunal's (NCLT) observation in 2019 that financial and operational creditors should get equal treatment had stalled the takeover. The ruling was challenged in the National Company Law Appellate Tribunal (NCLAT)
- The NCLAT had also ruled that in a resolution plan, there can be no difference between a financial creditor and the operational creditor in the payment of dues.
- Essar's CoC moved the SC in an appeal against the NCLAT observations.

Details:

- The Supreme Court has set aside the NCLAT ruling and accepted ArcelorMittal's offer to pay an aggregate ₹42,000 crore as an upfront amount to the secured financial creditors of bankrupt Essar Steel as submitted by ArcelorMittal in its resolution plan for Essar steel.
- The court set aside a judgment of the National Company Law Appellate Tribunal (NCLAT), which held that the amount ought to be shared equally between financial creditors and operational creditors.
- This paves the way for ArcelorMittal to take over Essar and enter the world's second-biggest steel market (India).

Court's Observations:

- Equitable treatment is to be accorded to each creditor depending upon the class to which it belongs whether they are secured or unsecured, financial or operational.
- Explaining why financial creditors are favoured over operational creditors of a bankrupt company in a corporate resolution process, the bench observed that financial creditors provide working capital to enable companies to run their business operations while the operational creditors, on the other hand, were beneficiaries of amounts lent by financial creditors. The SC has held that treating the financial and operational creditors equally is akin to treating unequals equally. The principle of equality cannot be used to treat unequals equally as it might destroy the very objective of the Insolvency and Bankruptcy Code (IBC) to resolve stressed assets in a time-bound and efficient manner.
- The equality-for-all approach which involves recognizing the rights of different classes of creditors as part of an insolvency resolution process, would lead to a situation wherein the secured financial creditors will, in many cases, be incentivized to vote for liquidation rather than resolution. This would defeat the entire objective of the IBC.
- The court clarified that corporate resolution is ultimately in the hands of the majority vote of the CoC and that the tribunals have no "residual equity jurisdiction" to interfere in the merits of a business decision taken by the requisite majority of the CoC in conformity with the law (Insolvency and Bankruptcy Code).

Significance of the Judgment:

Easing the NPAs of the Banks:

- The profitability of banks is set to get a major boost in the current quarter, with the Supreme Court paving the way for the acquisition of Essar Steel by ArcelorMittal. Banks have an exposure of about ₹50,000 crores to Essar Steel.
- Since the banks had already provided 100% for the loans given to Essar, the recovery from this account will directly go into the profit and loss account, which will improve the profit of the banks.
- The State Bank of India will be one of the biggest beneficiaries which will get around ₹12,000 crores. Bank stocks reacted positively, with SBI's share price rising 5.2%, PNB's 2.65%, IDBI Bank's 3.3%, while Canara Bank's share closed 2.5% higher.
- For lenders, Essar Steel will bring the largest recovery among the dozen firms, flagged by RBI for the resolution process, as banks will recover ₹42,000 crore against admitted debts of ₹49,473 crore — a recovery of about 85% compared to the average recovery of 53% in other resolution cases. The ruling will give a fillip to other resolutions as the primacy of financial creditors has been admitted.

Upholding the primacy of CoC:

- The Supreme Court has upheld that the ultimate discretion on distribution of funds is with the Committee of Creditors and has upheld its commercial wisdom.
- It has been held that the CoC can distribute among the secured financial creditors as per their commercial wisdom as CoC is not restricted from classifying creditors as financial, operational, secured or unsecured.
- Now that the Committee of Creditors (CoC) has the final say, it will lead to more certainty when a plan is accepted and there will be less challenge to the orders of NCLTs.
- Prior to the SC ruling, banks and financial creditors' faith in the resolution through IBC mechanism were on the verge of being lost because of fear that the adjudicating authority may alter the distribution of resolution proceeds at its own discretion.
- With this judgment, the SC has restored the overarching object of IBC by upholding that it is the commercial wisdom of CoC which will determine the distribution of resolution proceeds.

The impetus to financial creditors:

- The Judgment ups investor confidence in IBC process encouraging them to invest more.
- The recognition of the superior right of the financial creditors in proportion to their security interest in an insolvency resolution process would show a positive attitude of such class of financial creditors in taking the insolvency resolution process to its logical end.
- The 'equality for all' approach would have prompted secured financial creditors to vote for liquidation rather than for the resolution process, which would have defeated the very objective of the insolvency Code.

Impact on operational creditors:

- This landmark judgment will bring a paradigm shift in the way operational creditors now deal with companies for their supplies in the eventuality of default to secure their interest.
- Operational creditors will now have to find ways and means to secure their payments against supplies made to companies, as post this judgment; they will not be considered on par with financial creditors like banks.

Impetus to IBC:

- The judgment settles to rest numerous points of law under the Insolvency and Bankruptcy Code which were tested in various courts. There would be lesser challenge to NCLT orders post this judgment.
- The Supreme Court's decision in the Essar Steel case sets a precedent for other cases under the Insolvency and Bankruptcy Code (IBC). Approval of the resolution plan enhances the confidence of stakeholders and investors in the IBC process.
- This should significantly reduce the scope for long drawn litigations under IBC and would eventually lead to faster resolutions of stressed assets. It will make the process more expedient and efficient.

Upholding the spirit of IBC:

- In the judgment significant for India's fledgling corporate resolution process under the Insolvency and Bankruptcy Code, the SC has struck down the 'mandatory' time-limit of 330 days for completion of the resolution process, this decision will facilitate resolution, especially in cases where delays are caused due to capacity constraints of NCLT.
- As of now, the time limit for the resolution process is mandatorily 330 days in all cases. If debts are not resolved and the bankrupt firm cannot be brought back to its feet within this time-frame, the only option left is the liquidation of its assets to pay creditors. The Bench observed that many litigants suffer the prospect of liquidation for no fault of theirs. Delay in legal proceedings leads to the resolution process being dragged beyond the 330-day mark.
- The court held the mandatory nature of the 330-day mark as a violation of Article 14 (right to equal treatment) of the Constitution and an "excessive and unreasonable restriction on the litigant's right to carry on business under Article 19(1)(g) of the Constitution".
- The rigidity of timelines that was faced in the closing process is also now interpreted to be more flexible so that the objectives of the code are achieved in true spirit.
- The court held that it would be arbitrary to let litigants suffer liquidation unnecessarily. The court mellowed the provision saying the 330-day mark should be followed in the 'ordinary course'.
- Extension of time should be granted by the NCLT if parties are able to prove there is very little time left in the resolution process and the delay has been caused by 'tardy' legal proceedings.
- In all, the SC judgment will help achieve the objective of the code in true spirit.

Impact on the steel sector:

- The Supreme Court's decision in the Essar Steel case sets a precedent for other cases under the Insolvency and Bankruptcy Code (IBC) especially for the steel sector which is under stress and this judgment will show the way ahead for the sector. The entry of world market players into the Indian market is a welcome development.

2. Rules notified to bring financial firms under IBC

Context:

The Centre's issuance of rules that provide a framework for bringing 'systemically important financial service providers' under the purview of the Insolvency and Bankruptcy Code (IBC).

Details:

- Section 227 of the Insolvency and Bankruptcy Code enables the Central government to notify, in consultation with the financial sector regulators, financial service providers (FSPs) or categories of FSPs for the purpose of insolvency and liquidation proceedings, in such manner as may be prescribed.
- Accordingly, the Ministry of Corporate Affairs has notified the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 to provide a generic framework for insolvency and liquidation proceedings of systemically important FSPs other than banks.

- The Reserve Bank of India will decide which financial companies would be taken up under these rules.

Significance:

- The notification was necessitated because there was no system like the IBC that was designed exclusively for financial institutions.
- The recent episode like the PMC bank crisis shows the urgent need for such mechanisms.
- The finance ministry has held that the introduction of an interim framework for resolution of financial service providers under the IBC is a timely and important step for resolution of financial service providers permitting an interplay between regulators, creditors and the NCLT (National Company Law Tribunal) for appropriate actions.

Way forward:

- The long term aim must be to bring in an IBC equivalent for financial companies given the important role these financial intermediaries play in the economy of the country and their distinctive nature as compared to other companies that come under the IBC.

Category: ENVIRONMENT

1. Centre drops plan to bring in changes to Forest Act of 1927

Context:

The Union Environment Ministry withdrew a draft amendment that proposed updates to the Indian Forest Act, 1927.

Details:

- The Indian Forest Act, 2019, was envisaged as an amendment to the Indian Forest Act, 1927, and an attempt to address contemporary challenges to the country's forests.
- Major provisions proposed:
 - Forest-officer not below the rank of a Ranger shall have the power to hold an inquiry into forest offense and shall have the powers to search or issue a search warrant under the Code of Criminal Procedure, 1973. The empowering of the forest officer was considered crucial for conservation efforts.
 - Considering the inevitability of diverting forest land for developmental work, the legislation also proposed a forest development cess of up to 10% of the assessed value of mining products removed from forests and water used for irrigation or in industries.
 - To ensure sufficient resources for conservation activities, the amount collected from the cess would be deposited in a special fund and used exclusively for reforestation; forest protection; and other ancillary purposes connected with tree planting, forest development, and conservation.

Concerns:

Activist groups and some State governments had protested against this proposed law. It also drew flak from activists as well as tribal welfare organizations.

- Forest officers can issue search warrants, enter and investigate land within their jurisdictions. Forest officers will get indemnity for using arms to prevent forest-related offenses. Too many powers in the hands of the forest officers might lead to arbitrariness.

- Forest officials will get powers to remove tribals from areas earmarked for conservation which can go against tribal interests and the rights granted under the Forest Rights Act.
- The proposed law allows the government to open any patch of the forest it deems fit for commercial plantations. This can serve as a blow to conservation efforts.

Way forward:

An amendment to the Forest Act is due given the contemporary requirements of conservation efforts. Any such revision must be made after wide consultations and addressing the concerns and interests of all stakeholders.

D. GS4 Related

Nothing here for today!!!

E. Editorials

Category: EDUCATION

1. Treating education as a public good

Context:

Consultations over the New Education Policy (NEP) 2019.

Details:

- The Near final NEP report focusses on school education, higher education and other key areas like adult education, technology and promotion of arts and culture.
- A section of the report also deals with establishing an apex body and the financial aspects to make quality education affordable for all.

Role of education:

- Education is a necessary public good central to the task of nation-building.
- Education policy, in essence, must aim to produce sensitive, creative and upright citizens.
- This form of education should be unshackled from the chains of deprivation, and “affordable” education, is vital to ensure access to even the most marginalised sections of our country.

Education is not a commodity:

- A menu of choices provided by the private sector, which reduces education to the status of a commodity and views our youthful demography as human capital, is being doled out as panacea to our educational challenges.
- Education should not be driven solely by market demand for certain skills, or be distracted by the admittedly disruptive impact, for instance, of Artificial Intelligence.
- One has to be aware of the fact that there is no developed country where the public sector was not in the vanguard of school and higher education expansion, in ensuring its inclusiveness, and in setting

standards. Even the Ivy League universities, created because of generous philanthropic endowments, function more like public institutions even today.

- Education must be treated as a public good, providing which is the primary role of the state.

The New Education Policy (NEP) 2019

Positives:

- The report talks about doubling the government expenditure on education from about 10% to 20% over a 10-year period. Though this is still insufficient, given the enormity of the challenge, it is an unprecedented commitment to the sector.
- The NEP's stated goal to "reinstate" teachers as the "most respected members of the society" is a key aspect of the new educational policy and empowerment of teachers remains a key mantra of the policy, and it is understood that this can only be achieved by ensuring their "livelihood, respect, dignity and autonomy", while ensuring quality and accountability. The focus on the teacher's role in the education system is welcome.
- Equally laudable is the emphasis on early childhood care and schooling more generally. The anganwadis remain the backbone of an early childhood care system but have suffered on multiple grounds, including lack of facilities and proper training. This, as the report recognises, needs to change.
- The NEP wisely recognises that a comprehensive liberal arts education will help to "develop all capacities of human beings — intellectual, aesthetic, social, physical, emotional, and moral — in an integrated manner." India's past and its unique, culturally diverse matrix provide a rich framework.
- The proposal to establish a National Research Foundation, with an "overarching goal... to enable a culture of research to permeate through our universities" needs to be applauded and widely supported.

Concerns:

- The report fails to address and incorporate ideas based contemporary global thinking like the emphasis on creativity and critical thinking and the need for learning in a non-competitive and non-hierarchical ecosystem and discovering one's true passion without any sense of fear
- Though the focus on early childhood and schooling are welcome the incremental and rather ad hoc changes proposed like the instituting of in stand-alone anganwadis, or anganwadis co-located with primary schools, etc. may not deliver.
- The idea of volunteer teachers, peer tutoring, rationalisation of the system of schools and sharing of resources does not seem like long term solutions.
- The government's strategies regarding the public sector, including the Kendriya Vidyalayas, the State government-run institutions and the municipal schools are not clear.
- The creation of a National Testing Agency (NTA) has generated scepticism. The NTA though envisaged to serve as a premier, expert, autonomous testing organisation to conduct entrance examinations for admissions and fellowships in higher educational institutions may, in reality, lead to loss of autonomy among the universities and departments over admissions.
- Equally serious is the concern about the division between research-intensive 'premier' universities; teaching universities; and colleges. The NEP suggests, "three 'types' of institutions are not in any natural way a sharp, exclusionary categorisation, but are along a continuum". But the advantage of these divisions, per se, is neither intuitively nor analytically clear, given that high-quality teaching and cutting-edge research comfortably coexist in most universities of excellence.

Way forward:

The recent National Education Policy document, despite its lacunae, is a vast improvement over its earlier versions. The concerns raised must be addressed before an official policy is finally announced.

1. Groping in the dark on the economy

Details:

Shifting policy stances

- The Budget's provisions for collecting more in taxes from the incomes of the super-rich were aimed at redistributing wealth to bring about more equitable development. However, the tax rate hikes were rolled back later. Tax rates on corporate profits were reduced instead. Speculation is now rife about similar relief on individual incomes. In effect, the stated policy doctrine of redistributive taxation stands upended.
- The 2015 Budget reprised the Nehruvian strategy for growth — building physical capital with public investments. However, the 2015 Budget allocation of ₹70,000 crores towards this strategy proved too modest to generate an infrastructure push or stimulate an economy as large as India.
- The government has recently reaffirmed faith in another ingredient of Nehruvian socialism: import substitution. In fact, contrary to the faith professed in market forces by the proposed 'Bhartiya model', the Modi government has resuscitated a host of pre-1991 policy tools that shrink rather than deepen markets — from price caps to import tariffs.
- Ideas rejected more than two decades ago during the liberalisation phase are back in circulation, such as printing rupees to cover up for shortfalls in tax collections and raising sovereign debt in foreign currency.
- The 2019 Interim Budget returned to the public spending-led approach with cash supplements for farmers and taxpayer-funded 'welfare measures' of toilets, tapped water, cooking gas and subsidised loans.

Concerns:

- Narratives play a significant role in shaping expectations. Reviving expectations is necessary — but not sufficient — to reverse the slowdown in GDP growth, consumption and private investments. The tax cuts were bold and corrective but insufficient to revive optimism. Reform of the taxation policy regime is long-awaited and remains incomplete. If the sentiment in business circles remains bleak even after the tax cuts, it is because an economic revival will take many more reforms.
- There is growing realisation among captains of industry that the government has consistently demonstrated an inability to settle into a set line of thinking. The government's economic philosophy resists easy characterisation because it changes so frequently.
- The main concerns are whether the government's change of heart is an outcome of serious deliberations, or merely a reaction to public outcry. Whether the government has grasped the nature of the economic challenge sufficiently is not clear because of the constantly shifting policy stances.
- The ever-shifting policy stances are defended as "being responsive to public opinion". Critics see it as evidence that the government is struggling to grasp the nature of the economic challenges and, therefore, groping in the dark.
- The changes introduced have not been successful as claimed. The government explained away the hardships demonetisation and the Goods and Services Tax (GST) imposed on smaller firms as 'creative destruction'.
- Along with the Interim Budget's income tax sops for the middle class, and public spending was supposed to rekindle consumption, and pump-prime the slowing economy. No such gains accrued.

Way forward:

Though the changing scenarios require changed stances, there is a need for well deliberated long term economic philosophy for the country and its economy. Temporary changes in the policy stance must be backed by well-deliberated facts and figures.

2. Crossed wires

Context:

Two leading and important players in the telecom industry Bharti Airtel and Vodafone Idea have reported historic losses.

Details:

- The losses were due to provisions that the two companies had to make following an adverse verdict in their Supreme Court battle with the government over the definition of ‘aggregate gross revenue’.
- The two companies have also warned that if the government does not offer them relief on the demand to pay arrears of revenue share along with interest and penalty, adding up to about ₹80,000 crores between them, their very existence as a going concern will be in doubt.
- It is true that the industry in general and Bharti Airtel and Vodafone Idea in particular, are under severe stress and do deserve a helping hand from the government.
- One strong argument against government’s intervention, questions as to why the companies did not provide for the liability in their balance sheets over the years as against the conservative accounting demands that contingent liabilities be provided for. The sudden pressure on their financials could have been avoided if they had made a provision in their balance sheet for the liability stemming from a possible adverse verdict in the case.
- Given the overall state of the telecom sector, it is now time for the government to step in. A Committee of Secretaries is studying ways in which the telecom industry can be bailed out. While one waits for what this committee will come up with, the fact is that the industry needs another round of reforms right away.

Need for reforms:

- The government, which appropriates about 30% of the revenues of each player through various levies and taxes, needs to revisit some of the policies framed by it earlier.
- The most important issue is addressing the validity of a licence fee in the form of revenue share. This was set when the spectrum was allotted and not auctioned. With the government now collecting revenues upfront in the form of spectrum auction fees, there is little justification for a licence fee as well. There is also the issue of interconnect usage charges to be settled. The telecom regulator is adjudicating this dispute right now.
- In regulating the sector, the government also needs to look into the fairness of regulatory policies and approaches and ensure that they are unbiased.

Conclusion:

The telecom industry is crucial to India’s next wave of growth through digitalisation and the government should not be blinded by short-term revenue considerations that imperil long-term prospects.

For more information on the telecom sector crisis : [Click here](#)

Category:INTERNATIONAL RELATIONS

1. Five-in-one

Context:

The conclusion of the BRICS summit in Brasilia.

Background:

- The world economy slowing down and global economic uncertainty due to trade wars.
- Trading arrangements are in disarray and questions are being raised over the relevance of the World Trade Organization (WTO).

Details:

- Despite many doubts over the viability of the BRICS grouping, India and China have buoyed the grouping with their growth. The group has adapted to the times and proven its resilience. As a result, even at a time when the five countries are heading in different directions politically, they found ways to build a common vision for the world's economic future with an emphasis on multilateralism and a joint statement at Brasilia that decried “unilateral and protectionist” actions.
- For India, in particular, the articulation of this vision comes at an important time, given that it faces its own economic crisis and troubled trading ties with several nations. The failure of officials to resolve issues in time to join the Regional Comprehensive Economic Partnership (RCEP) had raised questions about whether India is reversing its market liberalisation and openness to trade.
- It is significant that India and China used the BRICS platform for continued talks on bringing India back into the RCEP fold and focused on resolving their trade issues.
- BRICS countries, which acknowledged the weakening of global economic growth, repeated their commitment to the WTO.
- They also presented a vision for “rules-based, transparent, non-discriminatory, open, free and inclusive international trade”, while commending the BRICS-led New Development Bank, and the BRICS business council in ensuring that BRICS countries, major drivers of growth in the past decade, continue to represent “close to a third of global output”.

Concerns:

BRICS has failed in the vision of interdependence between the five countries. Despite their combined population accounting for 40% of humanity, the intra-BRICS trade still makes up just 15% of world trade.

Way forward:

Greater connectivity and more trade between the members will allow the BRICS countries to claim their rightful space, and provide the leadership and energy that the global economic order needs urgently.

For more information on BRICS : [Click Here](#)

F. Tidbits

1. NDRF to train unit to save heritage structures

- The National Disaster Response Force (NDRF) will soon come up with a specialized unit in each battalion to help preserve monuments and other heritage structures battered by disasters, apart from its basic responsibility of rescue and restoration.
- There will be a set of personnel in each battalion of the NDRF who will get the basic training on preserving monuments. These personnel will have some sort of insights as to how to preserve heritage structures in the pre and post-disaster scenario.

2. Exports decline 1.11% in October

- The country's exports dipped by 1.11% in October 2019 on account of contraction in sectors such as petroleum and leather.
- Imports too declined by 16.31%, narrowing trade deficit in October, according to official data released. Dip in oil imports which constitutes a major share of the Indian import basket has contributed to this.
- September 2019 also observed a dip in exports.

3. Regulation on cooperative banks soon

- The government is mulling to make amendments in certain laws so as to bring the banking activities carried out by cooperative societies under the purview of the Banking Regulation Act.
- The government might also look into increasing the insurance amount on deposits in banks from the current ₹1 lakh.

G. Prelims Facts

Nothing here for today!!!

H. Practice Questions for UPSC Prelims Exam

Q1. 1. Which of the following statements are correct?

1. The National Disaster Response Force (NDRF) is a specialised force constituted "for the purpose of specialist response to a threatening disaster situation or disaster" under the Disaster Management Act, 2005.
2. National Disaster Response Force (NDRF) is under the National Disaster Management Authority headed by the Prime minister.

Options:

- a. 1 only
- b. 2 only
- c. 1 and 2 both
- d. Neither 1 nor 2

Answer: c

Explanation:

Self explanatory.

Q2. which of the following statements are correct?

1. The forest act defines what is a forest offence, what are the acts prohibited inside a Reserved Forest, and penalties leviable on violation of the provisions of the Act.
2. The forest act provides for preservation of biological diversity in India, and provides mechanism for equitable sharing of benefits arising out of the use of traditional biological resources and knowledge.

Options:

- a. 1 only
- b. 2 only
- c. 1 and 2 both
- d. Neither 1 nor 2

Answer: a

Explanation:

Explanation The Biological diversity act,2002 provides for preservation of biological diversity in India, and provides mechanism for equitable sharing of benefits arising out of the use of traditional biological resources and knowledge.

Q3. which of the following state does not border Chattisgarh?

- a. Uttar Pradesh
- b. Jharkhand
- c. Andhra Pradesh
- d. Bihar

]Answer: d

Explanation:



Q4. which of these species of bird is not endemic to India?

- a. Jerdon's Courser
- b. Himalayan quail
- c. White-rumped Vulture
- d. Macaw

Answer: d

Explanation:

Macaws are native to Central America and North America (only Mexico), South America, and formerly the Caribbean.

I. Practice Questions for UPSC Mains Exam

1. The telecom industry is crucial to India's next wave of growth through digitalisation and the government should not be blinded by short-term revenue considerations that imperil long-term prospects. Comment. (10 marks, 150 words)
2. In spite of the notable progress made by the BRICS grouping there is still scope for further improvement. Comment. Suggest suitable avenues for furthering co-operation. (10 marks, 150 words)