10 Mar 2020: UPSC Exam Comprehensive News Analysis

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A. GS 1 Related

Category: SOCIAL ISSUES

1. 'Fall in percentage of school education funds for SC, STs'

What's in News?

After several years of rising trends, the Centre has reduced the percentage allocation of funds for education of schoolchildren from SC and ST communities as well as for the north-eastern region in the coming year.

- In its report on the demand for grants submitted to the Rajya Sabha, the Parliamentary Standing Committee on Human Resource Development expressed its concern at these declines and urged higher allocations.
- A parliamentary panel expressed concern that any shortage of funds for these marginalised communities could be critical, especially given that more than one in five SC and ST students drop out of school at the secondary level.
- For at least three years, the amounts allocated to improve education for Dalits, Adivasis and those from the north-east have been on the rise in comparison to total allocations for the department. However,

the percentage allotted to these communities dipped in 2020-21, although actual amounts still increased slightly.

Concerns:

- A major concern is about the high rates of dropout among SC and ST communities.
  - The annual average dropout rate of SC students at the secondary school level is at 21.8%, according to the latest survey data from the Unified District Information System for Education (UDISE) 2017-18.
  - For ST students, it was 22.3%.

Way forward:

- "The Committee urges the Department to undertake a study of the social-cultural-financial reasons for the dropout of SC, ST and girls at all levels and with particular emphasis on dropout at secondary level and evolve strategies to remove the cause for the high dropout rates," said the report.

The Department may also look into the feasibility of bringing back the students who drop out at secondary level and simultaneously providing them vocational training so that these students can look for job opportunities at the earliest possible and also continue their studies.

B. GS 2 Related

Category: INTERNATIONAL RELATIONS

1. Rival Afghan leaders take parallel oaths

Context:

Afghanistan's two rival leaders have sworn themselves in as President at simultaneous ceremonies that were interrupted by at least two blasts.

Background:

Ashraf Ghani was declared the winner of a disputed presidential election in Afghanistan by the country's independent Election Commission.

This topic has been covered in 19th February 2020 Comprehensive News Analysis. Click here to read.

Concerns:

- The bitter feud between President Ashraf Ghani and his former Chief Executive Abdullah Abdullah has raised fears for Afghanistan's fragile democracy as the U.S. prepares to leave the country following an agreement with a strong and largely unified Taliban.

This issue has been covered in 2nd March 2020 Comprehensive News Analysis. Click here to read.

Category: POLITY AND GOVERNANCE

1. '67% of donations to national parties by unknown sources'

Context:

A report released by the Association for Democratic Reforms (ADR) has said, as much as 67% of donations to national parties in 2018-19 came from "unknown sources," an increase from 53% in the previous financial year.

- The Association for Democratic Reforms is a non-profit organisation that works on political accountability.

Details:

- The ADR analysed the income tax returns and donation statements submitted to the Election Commission by the BJP, the Congress, the Trinamool, the Communist Party of India, the Communist Party of India (Marxist), the Nationalist Congress Party and the Bahujan Samaj Party.
- While parties are required to give details of all donations above Rs. 20,000, donations under 20,000 and those via electoral bonds remain anonymous.
- Electoral bonds accounted for 67% of income from unknown sources.
- The report has defined "income from known sources" as donations above Rs 20,000 whose donor details were made available by the parties.
- Donations less than Rs 20,000 declared in tax returns as income but without identifiable sources were classified as earnings from unknown sources.
  - Such sources include electoral bonds, coupons, relief funds, and contributions from meetings.
- Electoral bonds are monetary instruments that citizens or corporate groups can buy from a bank and give to a political party, which is then free to redeem them for money.
  - The scheme was announced in the Budget speech in 2017, claiming the government wanted to clean up political funding and make it a transparent process.
  - However, the entire process is anonymous since no one is required to declare their purchase of these bonds and political parties do not need to declare the source of the money.
  - The money is unlikely to be "black" since it has to be given by cheque, the government has reasoned.

"Since a very large percentage of the income of political parties cannot be traced to the original donor, full details of all donors should be made available for public scrutiny under the RTI (Right to Information Act)," the ADR said in a statement.

C. GS 3 Related

Category: ECONOMY

1. COVID-19 outbreak could help agri exports: Agriculture Ministry analysis

What's in News?

- Supply shortages and trade restrictions have already had a harsh impact on China's total exports, which dropped more than 17% in January and February 2020, in comparison to the previous year.
- In the wake of the COVID-19 outbreak, the Centre has identified 21 agricultural products, in which Indian exports could benefit from trade restrictions against Chinese goods.

How could India benefit?

- Some of these products include natural honey, onions and shallots, chillis, potatoes, vegetables, guavas, mangoes, grapes, tamarinds, cashew apples, lychees, black fermented tea, spices, groundnuts, soyabeans, paddy, sesamum seeds, vegetable seeds for sowing and plants used in perfumery or pharmacy.

- Major markets which currently buy these products from China include Vietnam, USA, Japan, U.K., Philippines, Malaysia, Russia and Korea.
    - The total value of China's global exports of these products amounted to $5488.6 million in 2018.
    - India exported $4,445.9 million worth of these commodities in the same period.
    - India could now have a chance to grab part of China's market share.
- There are 21 agri tariff lines where China's global exports and India's global exports are more than $25 million and where India is price and volume-wise competitive and capable to provide an alternative.

Impact of the COVID-19 outbreak on export of agri items to China:

- India exported agricultural items worth $191 million to China during 2018-19, including capsicum, isabgol and cumin seeds.
- Cotton linter and mango pulp — may get impacted, as they are used as raw material by China for further processing and then export. Apart from these two, most major items are used for domestic consumption in China and may not be too badly hit.

Impact of the COVID-19 outbreak on import of agri items from China:

- India imported agriculture items worth $109.74 million from China in 2018-19, with seven products, including kidney beans, bamboo, cassia, fresh grapes, live plants and plums and sloes, accounting for 84% of that.
    - Only bamboo and kidney beans – are imported in bulk from China in the sense that they respectively represent 35.5% and 41.2% import from China out of India's total imports from the world.
    - In the case of those two items, India is still striving for self-sufficiency through the Bamboo Mission and the National Food Security Mission.

Category: INTERNAL SECURITY

1. Interlocutor holds talks with Naga groups in Delhi

Context:

Naga interlocutor, who is also the Governor of Nagaland, held yet another round of meetings with Naga groups in Delhi to bring a lasting solution to the peace accord.

The last rounds of such discussions were held in October 2019. **This issue has been covered in 27th October 2019 Comprehensive News Analysis. [Click here](#) to read.**

Details:

- The NSCN-IM has been fighting for 'Greater Nagaland' or Nagalim.
- It wants to extend Nagaland's borders by including Naga-dominated areas in neighbouring Assam, Manipur and Arunachal Pradesh — to unite 1.2 million Nagas.
- The Centre has ruled out any disintegration of the States of Assam, Arunachal Pradesh and Manipur in order to merge the Naga-inhabited areas with the existing State of Nagaland.

Latest development:

- The interlocutor had earlier accused the National Socialist Council of Nagaland (Isak-Muivah) — one of the largest Naga groups with which the Centre had signed a framework agreement on August 3, 2015 — of delaying the talks to find a solution to the decades-old Naga issue.
- The members of the Naga National Political Groups (NNPG) have urged the interlocutor to sign the final peace accord even though the NSCN-IM does not come on board.

Category: ENVIRONMENT AND ECOLOGY

1. CPCB notifies contaminated sites

Context:

There are 128 sites in India contaminated by toxic and hazardous substances, according to a March update by the Central Pollution Control Board (CPCB).

Read more about Central Pollution Control Board (CPCB).

Concerns:

- West Bengal led the list with 27 sites followed by Odisha at 23.
- Including those, there are 324 sites that may be contaminated, with 196 still awaiting an investigation and confirmation.

Details:

- The Union Environment Ministry has been monitoring — and has begun to commission clean-up jobs — at sites known to be contaminated.
- Twenty sites in 6 States have seen agencies prepare detailed project reports, or a plan of action, to clean up sites. Such action follows orders by the National Green Tribunal (NGT).
  - There are four such sites in Kerala (Eloor-Edayar), Odisha (Ganjam, Orichem) Tamil Nadu (Ranipet), Uttar Pradesh (Rania, IPL and Deva Road), West Bengal (Nibra village), and Madhya Pradesh (Ratlam).
  - These incidents include oil contamination due to leakage of underground oil pipelines of Bharat Petroleum Corporation Limited in Tamil Nadu, pesticide and heavy metal contamination in creeks at Eloor, Kerala, chromium contamination at Rania, improperly disposed electronic waste lying on the banks of river Ramganga, Moradabad and mercury contamination of the soil at Kodaikanal, Tamil Nadu, and Ganjam, Odisha.

D. GS 4 Related

Nothing here for today!!!

E. Editorials

Category: ECONOMY

1. Oil's rout

Context:

- Global oil prices witnessed the **biggest fall in a day, since the 1991 Gulf war**.

Background:

Coronavirus outbreak:

- The global outbreak of the coronavirus is likely to have an **adverse economic impact.**
- The latest report estimates more than 110,000 people having been infected in 105 countries and territories and 3,800 have died, with China reporting the majority of these cases.
- China's efforts to restrict the coronavirus outbreak has **disrupted China's economy and curtailed shipments to the biggest oil importer**. China, a major importer, has cut its imports by a third from Saudi Arabia, its biggest supplier.
- The U.S. has also reported an increasing number of cases and given the dependence of the U.S. economy on China's demand and supply markets, the **U.S. economy is also bound to be affected by the coronavirus outbreak.**
- With the two largest economies of the world likely to see depressed growth in the coming times, the global oil demand is set to contract. The **International Energy Agency has reported that oil demand is set to contract in 2020 for the first time since 2009**. Similar observations have been made by major banks which have cut their demand growth forecasts.

OPEC+ supply agreement:

- **The Organization of the Petroleum Exporting Countries**, along with several other producers, have cooperated for three years to restrain oil supply in the global markets post the 2014 price war. **The three-year supply pact to curb production is to expire at the end of March 2020.**
  - Saudi Arabia, Russia and other major producers last battled for market share in 2014 in a bid to put a squeeze on production from the United States, which had not joined any output limiting pacts.
- The global outbreak of the coronavirus prompted OPEC to seek additional output cuts.
- The supply pact between members of the Organization of the Petroleum Exporting Countries, and Russia, often referred to as the **OPEC+ talks, fell apart** recently, after Russia refused to support deeper oil cuts to cope with the outbreak of coronavirus.
- After failing to agree to cut supply, **Saudi Arabia and Russia have pledged instead to ramp up production**, which could quickly flood global markets with oil at a time when the demand has already weakened substantially due to coronavirus. Other OPEC members have responded by removing all limits on their production, prompting **fear of a supply hike** in a market already awash with crude.
- **Saudi Arabia has cut its Official Selling Price (OSP) for crude starting a price war**.
- The oil market is set to witness the **rare conjunction of demand and supply shock.** This seems to suggest that the present crisis for the oil market would be more serious than the 2014 price war.

Details:

- The collapse of an OPEC+ supply agreement has resulted in **panic throughout the energy sector.**
- The market's reaction to the recent developments has been drastic, with **crude futures plunging** by nearly 20%. **Energy stocks have collapsed** as shale producers have drastically cut future expenditures in anticipation of an uncertain demand in future.
- The price war among the producers has resulted in the **oil prices crashing by almost a third to $30 a barrel,** in the process suffering their biggest decrease in a day since the 1991 Gulf War.
- Analysts are **expecting a further dip in prices** and are estimating a floor price of $20 a barrel for crude oil.

Significance:

Fall in Petrol and Diesel prices:

- The prices of petrol and diesel have come down by about ₹5 a litre each in India since January 2020.
- State-owned oil marketing companies (OMCs) have **reduced the prices of petrol and diesel** given the fall in international prices.
- The prices of petrol and diesel are likely to come down further in the coming weeks as **India follows the monthly average pricing of benchmark crude oil.**

Macro-economic parameters:

- The fall in prices is **good news for major consumers like India.**
- The fall in oil prices would be beneficial for **India's macroeconomy**, given the fact that India imports over 83% of its oil requirements. This will reduce the oil import bill and hence help **contain current account deficit.**
- The fall in fuel prices will also **bring down headline inflation in the Indian economy**, giving the Reserve Bank of India enough room to cut rates to enhance growth rates.
- The **shares of state-owned oil marketing companies (OMCs) surged** in the light of falling crude oil prices.

Opportunity to stock:

- With Saudi Arabia drastically cutting its prices for term contract buyers, and other West Asia producers expected to cut their April crude OSPs following the trend set by Saudi Arabia, **India's HPCL and BPCL plan to maximize crude buying.**
- With Middle Eastern crude prices showing definite signs of softening, India will have to utilize this opportunity to the maximum extent possible by **increasing its stocking.**

Concerns:

Stock market sentiment:

- **The U.S.'s main stock indexes plummeted** and the Dow Jones Industrials crashed 2,000 points, as the slump in oil prices and the rapid spread of the coronavirus amplified fears of a global recession.
- **India's benchmark index, Sensex witnessed its biggest single-day fall in absolute terms** amid a global sell-off in equities. This came on the back of rising concerns over the economic impact of the COVID-19 outbreak and a plunge in crude prices that further fuelled worries about a global slowdown.

Economic impact:

- The fall in prices is **bad news for the big oil companies and the shale oil companies which are highly leveraged.** A collapse of these shale oil producers may **set off defaults in the bond markets**, setting off a non-virtuous spiral starting with the U.S. markets.
- With stock and bond markets already in turmoil, the price war between the producers is only going to **make the markets more volatile.**

India's disinvestment targets:

- The Government has invited 'Expression of Interest (EoI)' for **selling its entire stake in oil marketing company Bharat Petroleum Corporation Limited (BPCL)** as part of its plan to meet the disinvestment targets.
- The oil price fall will affect the Centre's disinvestment programme as big oil companies, expected to bid for BPCL, may either shy away or **bid much lower than expected** given the high uncertainty in the sector.

Decreased exports:

- The fall in prices may be beneficial to India in the short term, but India will have to deal with **a global slowdown.**
- The fears of a global recession will have an impact on the Indian economy, given the **higher levels of integration** of the two.
- India would have to bear the impact of **reduced merchandise exports due to the slowdown in the developed economies.** Since exports constitute a larger proportion of India's economic growth, the reduced exports will further **pull down the already low growth rates in India.**

2. The cost of a yes to a bank rescue act

Context:

- RBI's **"Yes Bank Ltd Reconstruction Scheme, 2020"** announced in the light of the Yes Bank crisis.

Details:

- Given the potential impact of the Yes Bank crisis, the government and RBI resorted to imposing a moratorium on the bank's activities and capped withdrawals by depositors at ₹50,000.
- As part of the RBI's "Yes Bank Ltd Reconstruction Scheme, 2020" the government has called upon the **State Bank of India (SBI), to lead the rescue efforts of Yes Bank**.

Concerns regarding the Yes Bank crisis:

Effect on stakeholders:

- There are many depositors both big and small who have their deposits in Yes Bank. They would lose hugely if Yes Bank is allowed to collapse, given the fact that the account holders are **insured for up to Rs 5 lakh only by the Deposit Insurance and Credit Guarantee Corporation (DICGC).**
- **Firms and agents dependent on Yes Bank** for credit to keep them in business may find their **operations disrupted** and new credit lines difficult to find.
- Though the scheme ensures that the employees would retain their enumeration and service conditions for a year, the employees may lose their jobs in the future if there are efforts to cut down on the operating costs of the bank.

Impact on the larger economy:

- The Yes Bank crisis can have a **profound impact on the larger economy**. Similar observations have also been made by SBI chairman Rajnish Kumar claiming that Yes Bank cannot be allowed to fail since that would have consequences for the Indian economy.
- Decreased trust in the financial system:
  - The investors choose private lenders like Yes Bank, mainly attracted by the higher interest rate offered by them. The collapse of Yes Bank would most likely **set off a chain of withdrawals from other private banks** as well as some weaker public banks. This could pose a **systemic threat to the country's financial system.**
  - There would also be adverse **spin-off effects on investors in bonds and instruments** issued by Yes Bank, triggering turmoil in other parts of the financial system.

- Spin-off effects:
  - Firms and agents dependent on Yes Bank for credit to keep them in business may find their operations disrupted and new credit lines difficult to find. That could lead to their **defaulting**

  - **on debt** they owe other creditors. This could **increase the overall NPA in the financial systems.**
  - Ancillary businesses downstream may collapse or turn sick, leading to **job losses and loss of livelihoods.**
  - Assets and machinery may lie idle and the ripple effect may grind other well-performing businesses to a halt as the cycle of debtors and creditors freeze.

Flawed approach:

- Preliminary enquiry point to quid pro quo payments to family-controlled shell companies of the Bank's founder, in return for large loans to stressed entities. However, there is **more to the crisis than just corruption.**
- The government has been **promoting a credit splurge strategy to drive growth**.
- With the intent to increase investment rates, large loans to even shaky corporates are being given out. Though it helps raise investment levels, it is mostly in financially unviable projects**.**
- Such an environment provided fertile ground for rogue bankers and fraud borrowers, resulting in **large non-performing assets in the financial system.**

Ineffectiveness of regulatory framework:

- In spite of the **many laws and regulations** imposed by the Companies Act and those stipulated by the Securities and Exchange Board of India and compliance requirements under the oversight of the Reserve Bank of India (RBI), Yes bank failed.
- This calls into question the effectiveness of the present regulatory framework.

The fallacy of Independent director provision:

- There has been an observed **pattern in the failure of promoter-run firms** like Yes Bank given the inherent flaws in the framework.
  - Listed companies are run by Boards. The CEO and Managing Director run the company affairs and are answerable to the Board. The issue is the fact that the provision of the **Board of Directors has been operating like a toothless entity.**
  - The Board has **'independent directors' as per the statutory requirements** of the Companies Act and regulations of SEBI.
  - These independent directors appointed by the promoter or the controlling shareholders, **rarely perform their function** of questioning the decisions of the CEO, upholding probity, and protecting the minority shareholders' rights.
- All impropriety on the parts of the adventurous promoters and CEOs is forgiven by the public, the banks and authorities most of the time, given that they can sustain the growth of the company.

Concerns with the resolution plan:

Timing of the intervention:

- There have been reports of governance failures, accounting irregularities and balance sheet weaknesses at Yes Bank for more than two years. The fact that **Yes Bank had not been placed under the Prompt Corrective Framework of the RBI** seems to suggest that the current intervention has been much delayed. It is because of the delay that escalated intervention is unavoidable.

Effectiveness of the intervention:

- There are doubts regarding the effectiveness of such a resolution. There are risks associated with the restructuring plan.

- Estimates on the necessary capital:
  - The estimations from SBI places notes that Yes Bank would need about ₹20,000 crores for its reconstruction plan.
  - However, the fact that Yes Bank had ramped up its lending in recent years and had **large exposure to bankrupt** or heavily indebted corporate groups, casts doubts over the adequacy over the ₹20,000 crore estimate.
- *Provisions regarding AT1 bonds:*
  - The scheme had exclusive provisions regarding the additional tier 1 bonds (AT1 bonds) issued by the bank. The scheme stated that the AT1 bonds totalling close to ₹11,000 crores, would be written down permanently, as part of the restructuring plan.
    - AT1 bonds offer investors a higher return because of the higher risk associated with them, including the possibility of being written down when a bank's equity base is under threat.
  - Investors in the AT1 bonds are likely to **approach the courts, hampering the restructuring process.**
- *Lack of confidence:*
  - A major aspect of the restructuring plan is based on the following principles.
    - Yes Bank will not be merged with the SBI, but become a standalone subsidiary of SBI. SBI's equity could be sold off in a future date if that proves feasible.
    - Investors other than the SBI must play an important role in the revival of Yes Bank, since the equity of the bank is expected to rise, with the SBI holding only 49% of the total.
  - Yes Bank's troubles with non-performing assets are an indication of the **troubles in the borrower industries** as well, ranging from real estate to power and non-banking financial companies. With the **economy facing a persistent slowdown**, the prospects of banks' burden of bad loans easing soon are limited.
  - Given the gloomy economic climate, investors may not be willing to outlay large sums on equity of Yes Bank. **Lack of confidence and the absence of investor support may render the whole exercise ineffective**.
- If the RBI's scheme does not work and the investment is not recovered, the SBI's stakeholders which consist of the government and taxpayers will have to bear the burden.

Way forward:

Legislative and administrative changes:

- Given the fact that boards are responsible to the shareholders and also ultimately accountable to the statutory authorities and the fact that the independent directors serve at the discretion and pleasure of the promoter-CEO, one cannot expect the directors to remain truly 'independent' in their duties.
- **Necessary changes in the Companies Act and rules issued by RBI and SEBI** must address these issues.

Improving regulatory checks:

- The market regulators, the **RBI and other statutory authorities must consider reviewing the guidelines and rules and incorporating necessary changes**.
- Given the pattern in the failure of promoter-driven entities, the regulators need to focus on addressing related issues.
- There is a need for reforms to **strengthen the autonomy of various regulatory institutions.**

Punish corporate transgressions:

- Though corporate transgressions happen in the West too, the regulators do not spare the promoter, despite his or her credentials.
- Elon Musk was recently penalized for issues related to insider trading. Bill Gates or Mark Zuckerberg, have often been reined in, investigated and heavily fined.
- India needs to learn from these examples and **improve regulatory checks and balances.**

Protecting the interests of the employees and customers:

- Regulators through the restructuring plan should not punish the company for the sins of its promoters. **All efforts must be made to save the company and jobs.**

For more information on this issue, refer to [07 March 2020 Comprehensive News Analysis.]

F. Prelims Facts

1. Worst single-day fall for Sensex

The benchmark Sensex witnessed its biggest single-day fall on 9th March 2020, in absolute terms amid a global sell-off in equities.

- The fall comes in the backdrop of rising concerns over:
    - The economic impact of the COVID-19 outbreak.
    - A plunge in crude prices that has further fuelled worries about a global slowdown. Global crude prices registered their biggest drop since the Gulf War in 1991.
- The Indian markets also followed the global market meltdown.

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CSI 300, Shanghai
Kospi, S. Korea

Market Indices

G. Tidbits

1. Madras High Court dismisses Madhya Pradesh's plea on GI tag for basmati rice

What's in News?

The State of Madhya Pradesh and the Madhya Kshetra Basmati Growers Association have lost two separate cases filed by them in the Madras High Court in 2016 challenging the exclusion of 13 districts in the State from a map submitted by the Agricultural and Processed Food Products Export Development Authority (APEDA) seeking Geographical Indication tag for basmati rice grown in the Indo Gangetic Plain.

Issue:

- The issue dates back to November 2008 when APEDA, a statutory body, filed an application before an Assistant Registrar of Geographical Indications in Chennai seeking GI tag for basmati rice.
- In 2010, the State of Madhya Pradesh opposed APEDA's application on the ground that the application had excluded the 13 districts of Morena, Bhind, Gwalior, Sheopur, Datia, Shivpuri, Guna, Vidisha, Raisen, Sehore, Hoshangabad, Jabalpur and Narsinghpur.
- The Assistant Registrar, in December 2013, directed APEDA to refile its application within 60 days along with a new map clearly demarcating the areas where basmati was actually cultivated.
- Aggrieved over the Assistant Registrar's decision, APEDA took the matter on appeal to IPAB which in 2016 directed the Geographical Indications Registry to issue a certification of registration to APEDA by accepting a map already submitted by it.
- In so far as the claim of Madhya Pradesh for the inclusion of its 13 districts was concerned, the Board directed the Assistant Registrar to consider that issue afresh after hearing both sides.
- It was the February 2016 order of IPAB which had been challenged in the present writ petitions.

Read more about Geographical Indication Tag.

H. UPSC Prelims Practice Questions

Q1. Consider the following statements with respect to Organization of the Petroleum Exporting Countries (OPEC):

1. OPEC is a permanent, intergovernmental organization, created at the Baghdad Conference.
2. OPEC has its headquarters in Geneva, Switzerland.
3. Iran, Iraq, Kuwait, Saudi Arabia and Qatar are its founding members.

Which of the given statement/s is/are correct?

a. 1 only
b. 1 and 2 only
c. 2 and 3 only
d. 1, 2 and 3 only

Answer: a

Explanation:

(OPEC) is a permanent, intergovernmental Organization, created at the Baghdad Conference in 1960 by Iran, Iraq, Kuwait, Saudi Arabia and Venezuela. OPEC had its headquarters in Geneva, Switzerland, in the first five years of its existence. This was moved to Vienna, Austria, on September 1, 1965.

Q2. "Attukal Pongala" is celebrated in:

a. Tamil Nadu
b. Kerala

c. Telangana
d. Karnataka

Answer: b

Explanation:

The Attukal Pongala festival is the largest congregation of women for a festival in the world and is held in Attukal Temple, Thiruvananthapuram, Kerala. The Attukal Pongala festival is the largest congregation of women for a festival in the world. The festival has figured in the Guinness Book of World Records for being the single largest gathering of women for a religious activity. Pongala, which means 'to boil over', is a ritual in which women prepare a pudding made from rice, jaggery, coconut and plantains cooked together, and offer it to the goddess. The ritual can only be performed by women. Attukal temple is also called 'women's Sabarimala' as only women perform the ritual.

Q3. Which of the following states share borders with Nagaland and Myanmar?

1. Arunachal Pradesh
2. Manipur
3. Mizoram
4. Assam

Choose the correct option:

a. 1, 2 and 3 only
b. 2 and 3 only
c. 1 and 2 only
d. 1, 3 and 4 only

Answer: c

Explanation:

Q4. Consider the following statements with respect to Deposit Insurance and Credit Guarantee Corporation (DICGC):

1. The DICGC insures principal amount only.
2. Deposits of individuals in different banks are not separately covered by DICGC.
3. All commercial banks including branches of foreign banks functioning in India, local area banks and regional rural banks are insured by the DICGC.

Which of the given statement/s is/are incorrect?

a. 1 and 3 only
b. 1 and 2 only
c. 2 and 3 only
d. 1 only

Answer: b

Explanation:

The DICGC insures principal amount and interest. Each depositor in a bank is insured up to a maximum of Rs.5,00,000 (Rupees Five Lakhs) for both principal and interest amount held by him in the same right and same capacity as on the date of liquidation/cancellation of bank's licence or the date on which the scheme of amalgamation/merger/reconstruction comes into force. Deposits of an individual in different banks are separately covered by DICGC. All commercial banks including branches of foreign banks functioning in India, local area banks and regional rural banks are insured by the DICGC.

I. UPSC Mains Practice Questions

1. In the light of the falling global crude oil prices, identify the factors responsible for the current dip in prices. What are the possible opportunities and concerns that such a development could bring to India? (10 marks, 150 words)

2. The RBI's "Yes Bank Ltd Reconstruction Scheme, 2020", though a welcome intervention has some inherent lacunae and seems to address the symptoms of a problem rather than the core issues. Comment. (15 marks, 250 words)

Read previous CNA here.