## The Hindu News Analysis – 30th November 2019 – Shankar IAS Academy

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*C – Chennai; B – Bengaluru; T – Thiruvananthapuram; H - Hyderabad; D – Delhi
Ex-RBI chief Rangarajan favours cash recap of banks

Cash will have more profound effect than issue of bonds, he says

SPECIAL CORRESPONDENT
Former Governor of Reserve Bank of India R.U. Rangarajan on Friday said it was time to consider a switch over from bonds to cash for recapitalisation of banks.

One of the answers to the problems faced by the banking system is to ensure recapitalisation in due process. The mode of recapitalisation now is through issue of bonds. Infusion of funds into the banks will have a much more profound effect than issuing the bonds,” he said at a seminar on NPA and resolution organised by ICICI Foundation for Higher Education here.

His suggestion comes in the backdrop of Rs 13 lakh crores worth of recapitalisation of banks over the past three years and the govern...

Part A—Preliminary Examination
Paper I—(200 marks)

- Current events of national and international importance.
- Economic and Social Development-Sustainable Development, Poverty, Inclusion, Demographics, Social Sector Initiatives, etc.

Part B—Main Examination
PAPER-IV


- Indian Economy and issues relating to planning, mobilization, of resources, growth, development and employment.

⇒ Indian economy is facing the challenges of the Non-Performing Assets including the banking sector
⇒ As a corrective measure the GoI has initiated recapitalisation of the banks

Recapitalisation of the banks

* Providing the banks with additional capital
* to meet the regulatory norms as well as additional capital requirement for their growth

* Already infused about ₹ 2 lakh crore worth of recapitalisation of banks over the past three years

* about ₹ 70,000 crores capital infusion through the mode of issuing recapitalisation bonds by the GoI
Practice Question – Prelims

Q. Which of the following processes are involved in the ‘Recapitalization of Public Sector Banks’, often seen in the news?

1. Issuing the bonds
2. Infusion of cash
3. Issuing the shares

Select the correct answer using the codes given below.

(a) 1 and 2
(b) 1 and 3
(c) 3 only
(d) 1, 2 and 3
Practice Question – Prelims

Q. Consider the following statements with reference to Nag missile.

1. Nag is an indigenous anti-aircraft guided missile.
2. Its operation is based on the ‘fire and forget’ principle.
3. Nag is developed by DRDO under the Integrated Guided Missile Development Programme (IGMDP).

Which of the above statement(s) is/are correct?

a) 1 and 2 Only
b) 2 and 3 only
c) 1 and 3 only
d) 1, 2 and 3
GDP growth plummets to 4.5%, lowest since 2012

Official says fundamentals are strong, numbers will pick up

GDP in the gross domestic product (GDP) index fell in the first quarter of FY 2019-20. The government announced on Friday the gross domestic product (GDP) growth in the first quarter of FY 2019-20 was 5.1%. It is the lowest since FY 2015-16, when the growth rate was 4.5%.

GDP growth in the first quarter of FY 2019-20 was 5.1%, according to the data released by the government on Friday. This is the lowest since FY 2015-16, when the growth rate was 4.5%.

The official figures showed that real GDP growth in the first quarter of FY 2019-20 was 5.1%, compared to 8.5% in the same quarter of the previous year. The core sector growth in the first quarter was 3.2%, compared to 8.9% in the same period last year.

Core sector contracts

GDP growth is driven by three main components: agriculture, industry, and services. The sector contracts with a decline in growth of 8.9% in the first quarter of FY 2019-20 compared to 8.9% in the same period last year.

Activity in the core sector of the economy contracted in the first quarter of FY 2019-20. According to the data released on Friday, the growth rate in the core sector was 3.2%, compared to 8.9% in the same period last year.

GDP growth is expected to pick up from the second quarter of FY 2019-20, according to the government's official figures.

Gross Domestic Product (GDP)

* Final value of goods and services produced within geographic boundaries of a country in a year

1. Output or Product method
   - Calculate value addition
     \[ V = P \times A \]

2. Expenditure Method
   - Expenditure incurred by all entities
     \[ GDP = C + I + G + (X - M) \]

3. Income Method
   - Total income earned by factors of production
     \[ GDP = \text{Rent} + \text{Wages} + \text{Interest} + \text{Profit} + \text{Mixed Income} \]

\[ \text{GDP in Q2 of 2019-2020} \rightarrow 4.5\% \rightarrow 25\text{ quarter low} \]

a) Manufacturing Sector : Contracted 1.1\% in Q2
   * 6.9\% growth in Q2 of 2018-19

b) Agriculture Sector
   * 2.1\% growth in Q2 of 2019-20
   * 4.9\% growth in Q2 of 2018-19
   * 2.1\% growth in Q1+Q2 of 2019-20
   * 5\% growth in Q1+Q2 of 2018-19
Practice Question – Prelims

Q. Consider the following statements.

1. GDP is the final value of the goods and services produced within the geographic boundaries of a country during a specified period of time, normally a year.

2. GDP gives a picture of the state of economic activity from the producers’ or supply side point of view.

Select the correct statement(s) from the codes given below.

a) 1 Only
b) 2 Only
c) Both 1 and 2
d) Neither 1 nor 2
Getting organ donation to tick again

Addressing the trust gap and inequality that are impacting family consent for organ donation is crucial.

Organ Donation Day – 13th Aug (World level)
- Not recognised by UN

Indian Organ Donation Day – 30th November
- To promote Organ Donation and transplantation

Negative perceptions of organ donation undermines the altruistic donation mindset of donor families
(Ex: Kerala)

Reasons for negative perceptions
1. Trust Deficit
   - Belief that private hospitals are involved in a scandal → to make profit
   - Trust gap between the patients and doctors

2. Inequality
- Organ donation free; Transplantation costs are very high
- Suspicion of unethical practices among the people
- Unaffordable for the middle class and poor people

Part A—Preliminary Examination

Paper I—(200 marks)
- Current events of national and international importance.
- Indian Polity and Governance-Constitution, Political System, Panchayati Raj, Public Policy, Rights Issues, etc.
- Economic and Social Development- Sustainable Development, Poverty, Inclusion, Demographics, Social Sector Initiatives, etc.

Part B—Main Examination

PAPER-III

General Studies- II: Governance, Constitution, Polity, Social Justice and International relations.
- Government policies and interventions for development in various sectors and issues arising out of their design and implementation.
- Issues relating to development and management of Social Sector/Services relating to Health, Education, Human Resources.
Solutions

* Hospital must be regulated through acts and rules
* Revision of the existing laws to make them more effective
  - Transplantation of Human Organs Act, 1994
  - Transplant approval with self-declaration
* Mandatory sample verification involving civil society, to improve compliance
* States should be given autonomy in the area of organ distribution
  - Present National Human Organ and Tissue Removal & Storage Network, under National Organ and Tissue Transplant Organisation (NOTTO)

* Transparency in operations of state organ distribution agencies
  - Organ distribution norms
  - Details of organ donation

* Every third or fourth transplant done in a private hospital should be done free of cost to a public hospital patient

* Public hospitals should prioritise spending the limited money on areas that would benefit more persons
  - On high priority services

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FASTag deadline extended to Dec. 15

SPONSORED

The government on Friday extended till December 15th the revised deadline for making FASTag mandatory for toll payments on National Highways.

Earlier, all lanes, except one on each side, at all NHAI toll plazas were to be declared as dedicated FASTag lanes from December 1.

The National Highways Authority of India (NHAI), in a statement, said that information facilities for the public with FASTags due to which the decision was deferred till December 15th. It was earlier decided that any motorist entering the dedicated FASTag lane without the tag would be charged double the toll fee from December 1, but the NHAI made it clear that the "charging of double fee will start from December 15th". However, the lanes may be kept as a hybrid lane accepting FASTag and other modes of payment even after the December 15th deadline.

The lane would be converted into a dedicated FASTag lane in a time-bound manner, said a letter from the Ministry of Road Transport and Highways to the NHAI chairman.

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Part A—Preliminary Examination
Paper I—(200 marks)

- Current events of national and international importance.
- Indian Polity and Governance—Constitution, Political System, Panchayati Raj, Public Policy, Rights Issues, etc.

General Science.

Part B—Main Examination

**PAPER IV**

General Studies—III: Technology, Economic Development, Biodiversity, Environment, Security and Disaster Management

- Infrastructure: Energy, Ports, Roads, Airports, Railways etc.
- Science and Technology: developments and their applications and effects in everyday life.
**FASTag**

* Device for making toll payments directly when the vehicle is in motion
* Works with RFID technology

**News**

* MoRT&H → All lanes, except one on each side, in all Toll Fee plazas on National Highways will be declared as ‘FASTag lanes’
  * Earlier deadline – December 1
  * Now extended till December 15

* Users with no FASTag ID will be charged double the fee if they pass through FASTag lanes (Rule 6 (3), National Highways Fee Rules, 2008)
* Hybrid lanes will be converted into FASTag lanes in a time-bound manner

<table>
<thead>
<tr>
<th>Active RFID</th>
<th>Passive RFID</th>
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<td>Works with internal power source</td>
<td>No internal power source</td>
</tr>
<tr>
<td>More Cost</td>
<td>Less Cost</td>
</tr>
<tr>
<td>Higher range of operation</td>
<td>Lower range of operation</td>
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**PRACTICE QUESTIONS DISCUSSION**
Practice Question – Prelims

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- d) 1, 2 and 3

### Practice Question – Prelims Answers

30-11-2019

Q1. (d) 1, 2 and 3
Q2. a) 1 Only
Q3. b) 2 and 3 only
LIKE, COMMENT & SHARE

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