

INDIAN HERITAGE AND CULTURE, HISTORY**Tansen Samaroh**

In Madhya Pradesh, popular classical music festival 'Tansen Samaroh' began in Gwalior.

About:

- Tansen Samaroh is the oldest classical music festival in India. It is the 95th year of the festival.
- The five-day festival is celebrated every year in the month of December in Behat village of Gwalior district, Madhya Pradesh.
- It is celebrated in the memory of one of the most eminent singers of Indian history, 'Mian Tansen'.
- It is organised by Ustad Alauddin Khan Kala Evam Sangeet Academy, under the Madhya Pradesh culture department.

National Tansen Award:

- Noted vocalist Pandit Vidyadhar Vyas was presented the National Tansen Award for 2019 during the Tansen Festival.
- Instituted by the Madhya Pradesh government, Tansen award carries a cash prize of Rs two lakh and is given to outstanding exponents of Hindustani classical music.

GOVERNANCE- WELFARE SCHEMES, E-GOVERNANCE, SERVICES ETC.**GeM SAMVAAD**

Government e-commerce portal GeM has launched a national outreach programme, GeM Samvaad.

About:

- The outreach programme will take place with stakeholders across the country and with local sellers to facilitate on-boarding of local sellers on the marketplace.
- The outreach programme will take place from 19 Dec 2019 to 17 Feb 2020 and will cover all the States and UTs of the country.

Government e-Marketplace (GeM)

- Government e Marketplace (GeM) is the national public procurement online portal offering end to end solutions for all procurement needs of Central and State Government Departments, PSUs, autonomous institutions and local bodies.
- Developed by: Directorate General of Supplies and Disposal (DGS&D), an organization under Ministry of Commerce & Industry.
- Launched in: 2016.
- Present status: GeM has more than 15 lakh products and around 20,000 services, more than 3 lakh registered sellers and service providers and more than 40 thousand government buyer organizations.
- Benefits of GeM: GeM brings transparency by eliminating human interface in vendor registration, order placement and payment processing, to a great extent. It also brings efficiency as direct purchase on GeM can be done in a matter of minutes.

Pmgsy Phase Iii

The Union Minister of Rural Development launched Phase III of Pradhan Mantri Gram Sadak Yojana (PMGSY) to further enhance connectivity of villages with hospitals, schools and agricultural markets.

About:

- Length covered: Under the PMGSY-III Scheme, it is proposed to consolidate 1,25,000 Km road length in the States.
- Strategy: PMGSY-III involves consolidation of through routes and major rural links connecting habitations to Gramin Agricultural markets (GrAMs), higher secondary schools and hospitals.
- Implementation period: 2019-20 to 2024-25.
- Budget: It will entail an estimated cost of Rs 80,250 crore.
- Funding pattern: The funding pattern for the PMGSY-III will be 60:40 between Centre and the States for States other than NE & Himalayan States and 90:10 for NE and Himalayan States as applicable for Central sponsored schemes.

Related Info:

PMGSY-I was launched in 2000 with an objective to provide single all-weather road connectivity to eligible unconnected habitation of designated population size.

INDIAN ECONOMY**Stagflation**

India's retail price inflation in November 2019 jumped to a 40-month high, at a time when growth has slowed to a six-year low, prompting some economists to warn that the country could be entering into a stagflationary phase.

Normal scenario:

- Typically, inflation rises when the economy is growing fast. That's because people are earning more and more money and are capable of paying higher prices for the same quantity of goods.
- When the economy stalls, inflation tends to dip as well – again because there is less money now chasing the same quantity of goods.

Stagflation scenario:

- Stagflation is a portmanteau of stagnant growth and rising inflation. Stagflation is said to happen when an economy faces stagnant growth as well as persistently high inflation.
- With stalled economic growth, unemployment tends to rise and existing incomes do not rise fast enough and yet, people have to contend with rising inflation. So people find themselves pressurised from both sides as their purchasing power is reduced.

Is India facing Stagflation:

- Although it appears so at the first glance, India is not yet facing stagflation. There are three broad reasons for it.
- One, India is still growing at 5%. India's growth hasn't yet stalled and declined; in other words, year on year, our GDP has grown in absolute number, not declined.
- Two, the reason for this spike retail inflation is temporary because it has been caused by a spurt in agricultural commodities after some unseasonal rains. With better food management, food inflation is expected to come down.
- Lastly, retail inflation has been well within the RBI's target level of 4% for most of the year.

Sabroom Sez

The Ministry of Commerce and Industry has notified the setting up of the first ever Special Economic Zone (SEZ) in Tripura.

About:

- The SEZ is being set-up at Paschim Jalefa, Sabroom, South Tripura District.
- It will be a Sector Specific SEZ for Agro-Based Food Processing. Rubber based industries, textile and Apparel Industries, bamboo and Agri-food Processing Industries will be set-up in the SEZ.
- The developer of the SEZ will be Tripura Industrial Development Corporation (TIDC) Ltd.
- After it is set up, 100 percent Income Tax exemption will be provided on export income for SEZ units under Section 10AA of the Income Tax Act for the first 5 years.
- Setting up of the SEZ in Sabroom will open up new avenues to attract private investment considering the proximity of the Chittagong Port and construction of the bridge across Feni River in South Tripura which is underway.

ISSUES RELATED TO INTERNAL SECURITY AND DISASTER MANAGEMENT

Central Armed Police Forces (CAPFs)

Recently, Department-Related Parliamentary Standing Committee on Home Affairs submitted its Report no. 221 on working conditions in Border Guarding Forces (Assam Rifles, Sashastra Seema Bal, Indo-Tibetan Border Police and Border Security Force) in the Rajya Sabha.

Key Recommendations made to boost the morale of the CAPFs:

- There should be an end to the overuse of the Central Armed Police Force (CAPF) for rigorous internal security and election-related duties as that does not give them enough time for rest and recuperation.
- Limit the deputation of officers from the IPS and the armed forces to CAPFs at 25%
- The CAPFs cadres should be given an opportunity to become the Director General of respective forces.
- Pay to the CAPF should be on par with the defence forces personnel as they also face similar risks and social and family isolation. They should be given incentive in the form of Paramilitary Service Pay.
- Ministry of Home Affairs (MHA) should put in place an institutional mechanism with representatives of the MHA, various forces and experts in mental health to address the issue of suicides in the CAPFs.

SCIENCE AND TECHNOLOGY- EVERYDAY SCIENCE, SPACE, NUCLEAR, DEFENCE ETC

Interconnect Usage Charge (IUC)

The Telecom Regulatory Authority of India (TRAI) deferred implementation of zero-interconnect usage charge (IUC) regime by a year, besides kick-starting a consultation on the need to fix minimum tariff for mobile calls and data.

About:

- For wireless to wireless domestic calls, termination charge would continue to remain as ₹ 0.06 per minute up to December 31, 2020. From January 1, 2021 onwards the termination charge for wireless to wireless domestic calls shall be zero.
- The BAK (bill and keep) or zero IUC regime was to come into effect from January 1, 2020.
- The deferment by a year will be a huge relief for Vodafone Idea and Bharti Airtel, who had pitched for postponing the implementation. However, Reliance Jio was in not in favour of deferring it.

Interconnect usage charge (IUC):

- These charges are paid by a telecom services provider whose subscriber makes a call to the service provider whose subscriber receives the call.
- There are various components of IUC:
 - Origination charges
 - Transit charges (carriage charges)
 - Termination charges
 - International termination charges
 - International settlement rates,
- Currently only calls made via wireless to wireless devices attract IUC in India.
- The Telecom Regulatory Authority of India (TRAI) has fixed the IUC rates at 6 paise per minute.
- TRAI wants to bring IUC to zero because it is assumed all networks have moved to VoLTE, or voice over LTE (Long Term Evolution). Jio is entirely a VoLTE network, but Vodafone and Airtel continue to offer their legacy 2G and 3G networks as well.

PRELIMS SPECIFIC FACTS- INDICES, DAYS, EVENTS, AWARDS ETC

Sahitya Akademi Awards

Sahitya Akademi announced its annual Sahitya Akademi Awards in 23 languages. In Hindi, Nand Kishore has been awarded for his Poetry 'Chheelate Hue Apne Ko' and in English Shashi Tharoor has been awarded for his Non-Fiction 'An Era of Darkness'.

About:

- Seven books of poetry, four of novel, six of short stories, three of essays and one each of non-fiction, autobiography and biography have won the Sahitya Akademi Awards 2019.
- The Awards were recommended by distinguished Jury members representing 23 Indian languages and approved by the Executive Board of the Sahitya Akademi, India's National Academy of Letters.
- The Award in the form of an engraved copper-plaque, and cash prize of Rs. 1,00,000/- will be presented to the authors of these books at a special function to be held in February 2020.
- The Awards relate to books first published during the five years immediately preceding the year of Award (i.e. between 1 January 2013 and 31 December 2017).

DAILY ANSWER WRITING PRACTICE

Qns: What do you mean by shadow banking system? What are the challenges faced by India's shadow banking system at present?

Ans:

The shadow banking system is a term for the collection of non-bank financial intermediaries that provide services similar to traditional commercial banks but have different regulatory guidelines.

Financial Stability Board defines 'shadow banking' as the "credit intermediation involving entities and activities outside the regular banking system". It can be described as all financial activities, barring traditional banking, which requires a private or public backstop (in the form of franchise value of a bank or an insurance company, or in the form of a Government guarantee) to operate.

In the context of developing economies, shadow banks play a gainful role in credit delivery and financial inclusion as:

- They can facilitate credit availability to certain sectors that might otherwise have difficulty in access to credit.
- They play both a substitute and complementary role for commercial banks as they are able to map the financing needs of the borrowers with the financing provision where the formal banking systems are confronted with regulatory constraints.
- Further, Non Banking Financial Companies (NBFCs) often take a lead role in providing innovative financial services to Micro, Small, and Medium Enterprises (MSMEs) according to their business requirements.

- NBFCs play a critical role in participating in the development of an economy by providing a fillip to transportation, employment generation, wealth creation, bank credit in rural segments and to support financially weaker sections of the society.

Notwithstanding the complementary role played by shadow banks to the banking system, their activities on the flip side create risks which can assume a systemic dimension. In its recently released Global Financial Stability Report, the International Monetary Fund warned of systemic risks associated with such shadow banking practices which might spill over to banks.

Such warnings are especially relevant for India as the size of its shadow banking sector appears to be on the higher side, when compared to many other large economies, as per the estimates by Basel based Financial Stability Board (FSB). In light of this, there are certain challenges faced by shadow banking system in India such as:

- **Liquidity risk:** This is one of the most common risks faced by shadow banks, as these entities undertake maturity transformation i.e., funding long term assets with short term liabilities. The risk of Asset Liability Mismatch (ALM) leading to liquidity problems is quite high.
- **Regulatory arbitrage:** Credit intermediation is, traditionally, a banking activity. Regulations applied to banks in this regard can be circumvented by transferring components of the credit intermediation function to shadow banks which are subject to less stringent regulations.
- A 2017 report by the RBI said that 99.7% of shadow banking in India involves making long-term loans against short-term funding, primarily carried out by NBFCs and housing finance companies.
- Problems also arise when such NBFCs become too big, invest in assets of dubious quality and are interconnected with other financial institutions, as demonstrated in the case of IL&FS.
- **Concentration risks**— too much exposure to some sectors—can also be a challenge. To illustrate, NBFCs kept on lending to real estate developers in recent years despite the sector being marred by incomplete projects, litigation, and overall slowdown. Developer loans make up around 21% of NBFCs' loan book, compared to 7% for private banks and 3% for public sector banks, as per the Credit Suisse report.

Way Forward

- The challenges of shadow banking system have to be addressed at multiple levels, some of which are listed as follows:
- Strengthening the existing regulatory framework by increasing capital, liquidity, risk management, and disclosure requirements, rather than bailing out poorly managed NBFCs.
- In addition, the surveillance of the shadow banking system should be intensively carried out through off-site and on-site supervision.
- Credit Rating Agencies (CRAs) should be strengthened and must be made accountable in assessing the financial strength of firms and financial instruments.
- The steady weakening of development banks and Development Finance Institutions (DFIs) created a void that shadow bank entities attempted to fill with their inherently flawed business model. It is time to revitalise the existing development banks and set up new institutions that can finance infrastructure and other development projects that have large capital requirements and long gestation periods.

Therefore, it is important that this sector is constantly regularised and promoted to enable prudential growth of the sector keeping in view the multiple objectives of financial stability, consumer and depositor protection, and need for more players in the financial market.

DAILY CURRENT AFFAIRS MCQs

1. With reference to the Department-Related Parliamentary Standing Committee on Home Affairs report no. 221 on working conditions in Border Guarding Forces, consider the following statements:
 1. Limit the deputation of officers from the IPS and the armed forces to CAPFs at 50%.
 2. Pay to the CAPF should be on par with the defence forces personnel as they also face similar risks and social and family isolation.

Which of the recommendations given above in the report is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

2. With reference to the Interconnect usage charge (IUC), consider the following statements:
 1. These charges are paid by a telecom services provider whose subscriber makes a call to the service provider whose subscriber receives the call.
 2. Currently only calls made via wireless to wireless devices attract IUC in India.
 Which of the statements given above is/are correct?
 - (a) 1 only
 - (b) 2 only
 - (c) **Both 1 and 2**
 - (d) Neither 1 nor 2
3. With reference to the Government e-Marketplace (GeM), consider the following statements:
 1. It is the national public procurement online portal offering end to end solutions for all procurement needs of Central and State Government Departments, PSUs, autonomous institutions and local bodies.
 2. It is developed by the Union Ministry of Agriculture.
 Which of the statements given above is/are correct?
 - (a) **1 only**
 - (b) 2 only
 - (c) Both 1 and 2
 - (d) Neither 1 nor 2
4. Tansen Samaroh is the oldest classical music festival held in which of the following states?
 - (a) **Madhya Pradesh**
 - (b) Gujarat
 - (c) Rajasthan
 - (d) Punjab
5. Sabroom Special Economic Zone (SEZ), recently in news, is located in:
 - (a) **Tripura**
 - (b) Sikkim
 - (c) Nagaland
 - (d) Mizoram
6. With reference to the Phase III of Pradhan Mantri Gram Sadak Yojana (PMGSY), consider the following statements:
 1. It involves consolidation of through routes and major rural links connecting habitations to Gramin Agricultural markets (GrAMs), higher secondary schools and hospitals.
 2. The funding pattern for the PMGSY-III will be 60:40 between Centre and all the States.
 Which of the statements given above is/are correct?
 - (a) **1 only**
 - (b) 2 only
 - (c) Both 1 and 2
 - (d) Neither 1 nor 2
7. With reference to the Indian Economy, consider the following statements:
 1. Stagflation is a condition of slow economic growth and relatively high unemployment, accompanied by rising prices, or inflation.
 2. Reflation is a general decline in prices for goods and services, typically associated with a contraction in the supply of money and credit in the economy.
 Which of the statements given above is/are correct?
 - (a) **1 only**
 - (b) 2 only
 - (c) Both 1 and 2
 - (d) Neither 1 nor 2
8. With reference to the Sahitya Akademi Awards, consider the following statements:
 1. In English Shashi Tharoor has been awarded for his Non-Fiction 'An Era of Darkness'.
 2. The Awards relate to books first published during the five years immediately preceding the year of Award.
 Which of the statements given above is/are correct?
 - (a) 1 only
 - (b) 2 only
 - (c) **Both 1 and 2**

- (d) Neither 1 nor 2
1. With reference to the 'COP25' 2019 United Nations Climate Change Conference, consider the following statements:
 1. International climate talks at COP25 closed with no deal on carbon markets.
 2. It was held in Chile under the presidency of the Chilean government.
 Which of the statements given above is/are correct?
 - (a) **1 only**
 - (b) 2 only
 - (c) Both 1 and 2
 - (d) Neither 1 nor 2
 2. With reference to the Sustainable Development Cell (SDC), consider the following statements:
 1. Union Ministry of Coal has recently decided to establish a Sustainable Development Cell (SDC) to promote environmentally sustainable coal mining in the country.
 2. It will address environmental concerns during the decommissioning or closure of mines.
 Which of the statements given above is/are correct?
 - (a) 1 only
 - (b) 2 only
 - (c) **Both 1 and 2**
 - (d) Neither 1 nor 2
 3. What is 'StrandHogg', recently seen in news?
 - (a) **Bug in android applications**
 - (b) Newly found exoplanet
 - (c) Crypto currency of Peru
 - (d) None of the above
 1. Which of the following is the theme of the fourth edition of International Seminar cum Exhibition on Naval Weapon Systems 'NAVARMS-19'?
 - (a) **"Make in India - Fight Category: Opportunities and Imperatives"**
 - (b) 'Climate Action for Peace'
 - (c) 'United against corruption.'
 - (d) Nation First
 1. With reference to the Indian leopard, consider the following statements:
 1. In India, the leopard is found in all forest types, from tropical rainforests to temperate deciduous and alpine coniferous forests
 2. It is listed on a par with Tigers under Schedule II of the Wildlife Protection Act (WPA), 1972.
 Which of the statements given above is/are correct?
 - (a) **1 only**
 - (b) 2 only
 - (c) Both 1 and 2
 - (d) Neither 1 nor 2