

**INDIAN HERITAGE AND CULTURE, HISTORY****Ik Onkar**

In a unique gesture to mark 550th birth anniversary of Sri Guru Nanak Dev ji, Air India has depicted Sikh religious symbol 'Ik Onkar' on the tail of one of its aircraft.

**About:**

- Ik Onkar is the symbol that represents the unity of God in Sikhism, meaning God is One or One God.
- It is a central tenet of Sikh religious philosophy. It is the opening phrase of the Mul Mantar and the opening words of the Sri Guru Granth Sahib. It is consequently also part of the Sikh morning prayer, Japji Sahib.
- It is found in the Gurmukhi script and is found in all religious scriptures and places such as gurdwaras.
- It is a combination of two characters, the numeral ੴ, Ikk (one) and the first letter of the word Onkar (Constant taken to mean God).

**CONSTITUTION AND POLITY****Electoral Reforms**

On the recommendation of the Election Commission of India (ECI), the Central Government has amended the Rules to facilitate the process of postal ballot paper for Absentee voters of essential services, Senior citizens of more than 80 years and marked PwD electors.

**Salient features of these amendments are as follows:**

- A concept of 'absentee voter' has been introduced and defined for the elections;
- 'Absentee voter' means a person belonging to such class of persons as may be notified, under clause (c) of section 60 of the Act, and who is employed in essential services as mentioned in the said notification, and includes an elector belonging to the class of senior citizen or persons with disability [rule 27 A (aa)];
- 'Person with Disability' means a person flagged as person with disability in the data base for the electoral roll;
- 'Senior Citizen' for the purpose of this Part means an elector belonging to the class of absentee voters and is above 80 years of age;
- In case of an absentee voter, the application shall be made in Form 12D, and shall contain such particulars as specified therein, and shall be duly verified by the Nodal Officer for the absentee voter, other than senior citizen or persons with disability, which shall reach the Returning Officer within five days following the date of notification of election;
- In the case of absentee voter, postal ballot paper shall be returned to the centre provided for recording of vote under sub-rule(3) of rule 27F, subject to any direction that may be issued by the Election Commission in this behalf.

**INTERNATIONAL AFFAIRS- BILATERAL, GROUPINGS, ORGANISATIONS****Exercise Shakti-2019**

Indo-French Joint Exercise Shakti-2019 will be conducted from 31 October 2019 to 13 November 2019 at Foreign Training Node at Mahajan Field Firing Ranges, Rajasthan.

**About:**

- Series of 'Exercise SHAKTI' between Indian and France commenced in year 2011.
- It's a biennial exercise and is conducted alternately in India and France.
- As part of Exercise SHAKTI – 2019, a contingent of the Sikh Regiment of Sapta Shakti Command will represent Indian Army in this exercise. The French Army delegation will be represented by troops of 21st Marine Infantry Regiment of 6th Armoured Brigade.
- The joint exercise will focus on Counter Terrorism operations in backdrop of semi-desert terrain under United Nations Mandate. The training will focus primarily on high degree of physical fitness, sharing of drill at tactical level and learning of best practices from each other.

**Operation Kayla Mueller / Barisha Raid**

On 27 October 2019, Abu Bakr al-Baghdadi killed himself and his three children by detonating a suicide vest during the Barisha raid conducted by the Delta Force, in Syria's northwestern Idlib Province, according to a statement by President Donald Trump of USA.

About:

- Abu Bakr al-Baghdadi (1971 – 2019) was the leader of the Islamic State (ISIS) militant terrorist organisation.
- In 2014, the ISIS announced the establishment of a worldwide caliphate. Al-Baghdadi was named its caliph, to be known as "Caliph Ibrahim".
- He was designated by the United States Department of State as a Specially Designated Global Terrorist.

Operation Kayla Mueller / Barisha raid

- The Barisha raid was a United States military operation in Barisha, Idlib Governorate, in northwestern Syria targeting Islamic State of Iraq and the Levant (ISIL) leadership, notably its leader, Abu Bakr al-Baghdadi, on October 26-27, 2019.
- The special forces raid was officially code-named Operation Kayla Mueller after the American humanitarian worker who was held captive, tortured, and sexually abused by Baghdadi before her death in 2015.
- According to U.S. officials, including President Donald Trump, Baghdadi killed himself when he detonated a suicide belt.

The United Nations' Universal Postal Union (UPU)

In a unilateral decision, Pakistan has stopped exchange of postal mails with India since August 27. Communications Minister Ravi Shankar Prasad has said Pakistan's decision was taken "without any prior notice" and "in direct contravention of international norms."

About:

- Type: The Universal Postal Union (UPU) is a specialized agency of the United Nations (UN).
- Functions: It coordinates postal policies among member nations, in addition to the worldwide postal system. It frames rules for international mail exchange, and fixes rates for international postal services. It regulates 6.40 lakh postal outlets worldwide.
- Membership: The UPU has 192 member-countries.
- Headquarters: Bern, Switzerland.
- Timeline: it was established by the Treaty of Bern in India joined the UPU on July 1, 1876 and Pakistan on November 10, 1947.
- The UPU has four units: the Congress, the Council of Administration (CA), the Postal Operations Council (POC) and the International Bureau (IB).
- Under UPU rules, when a country decides to suspend exchange with a country, it must notify the operator of the other country (in India's case, India Post) and, if possible, the duration for which services are being stopped. The UPU's International Bureau too has to be notified.

**INDIAN ECONOMY**

Share Swap Ratio

At least seven of the 10 public sector banks slated for merger have invited independent experts to determine their share swap ratios.

- When a company pays for acquisition by issuing its own shares to the shareholders of the target company, this is known as a share swap. The number of shares to be issued in lieu of their existing holdings in the target company is called the Share Swap Ratio.
  - It is determined by valuing the target company after looking into metrics such as its revenues and profits, as well as its market price.
  - If the target company is listed, the market value of its shares is often a key consideration to arrive at the right price to be paid.
- A swap ratio also brings to light many aspects of Mergers and acquisitions transaction between the two companies.
  - Firstly, it shows the relative size and strength of both companies. In general, if more shares of the target company are exchanged for one share in the acquiring company, then the latter is likely to be bigger and stronger.
  - Secondly, it determines the control that each set of shareholders has on the combined company. For example, the acquiring company may have greater control over the firm if the swap ratio is high and, therefore, its Board of Directors could have a larger share in the new Board.

Objective

- Confidence to Investors: A swap ratio's rationale is to give the same amount of confidence to investors even after the merger or acquisition goes through.

- **Maintain Equilibrium:** The swap ratio is kept reasonable to maintain an equilibrium between the investors of both companies. No merger or acquisition should result in an unfair transfer of wealth from one group to another, so the swap ratio is calculated after taking into account many financial factors of both companies.

#### Advantages

- **Lower Risks:** As shareholders of the target company will also be shareholders of the merged entity, the risks and benefits of the expected synergy from the merger is shared by both the parties.
- **Non Taxable:** In case of a share swap, when shareholders of the acquired company are given shares of the acquirer company as part of the deal, it is not considered a transfer of shares. Hence, capital gains tax will not arise.
  - The tax liability will arise only when the shares of the merged entity are sold.

### **ENVIRONMENT- CONSERVATION, BIO-DIVERSITY AND ISSUES**

#### Nelloptodes Gretae

A tiny species of beetle discovered more than 50 years ago has been named after Swedish climate activist Greta Thunberg.

#### About:

- Scientists at the Natural History Museum in London have officially called the insect Nelloptodes gretae to honour the 16-year-old Swedish activist's "outstanding contribution" in raising global awareness of climate change.
- The arthropod, which has no eyes or wings, is less than 1mm long and belongs to the Ptiliidae family, which is made up of some of the world's smallest beetles.
- The beetle was first found in 1965 by British naturalist Dr William C Block in Nairobi, Kenya.
- Biological names comprise two words, one for the genus and the second for the species. Traditionally, it is the species name that scientists coin to honour a prominent personality.
- While the species name gretae derives from Greta, the genus Nelloptodes too is a new genus.

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

#### Carbon Capture

Researchers from the Massachusetts Institute of Technology (MIT) in the US have developed a new technology to capture carbon dioxide from a stream of air, virtually at any concentration level.

#### Working:

- While most methods of removing carbon dioxide from a stream of gas required higher concentrations such as those found in the flue emissions from fossil fuel-based power plants, the new method could take out the gas even when it was present in very low concentrations.
- The device is a large, specialized battery with a stack of electrodes that absorbs carbon dioxide from the air passing over its surface as it was being charged up, and then released the gas as it was being discharged.
- A chemical reaction takes place at the surface of each of a stack of electrodes as the battery charges. Electrodes are coated with a compound called polyanthraquinone compounded with carbon nanotubes.
- The electrodes have a natural affinity for carbon dioxide and readily reacted with its molecules in the airstream or feed gas. The device operates at room temperature and normal air pressure.

#### Significance:

- The advantage of this technology over other carbon capture or carbon absorbing technologies is the binary nature of the adsorbent's affinity to carbon dioxide. The new system is energy efficient compared to existing methods -- consistently using about one gigajoule of energy per ton of carbon dioxide captured.
- This advance that may pave the way for new strategies to reduce atmospheric greenhouse gas levels.

### **QUOTE OF THE DAY**

**If you are not willing to risk the usual, you will have to settle for the ordinary.**

## **DAILY ANSWER WRITING PRACTICE**

**Qns: How cooperative banks are different from scheduled commercial banks? Examine the advantages, challenges of cooperative banks, along with suggestions for their better performance.**

**Answer :**

Recently, the Reserve Bank of India (RBI) imposed restrictions on withdrawals from Punjab and Maharashtra Cooperative (PMC) Bank, which triggered a panic among bank customers. It has brought to the fore the issue of riskiness of banks, especially co-operative banks and the need to restore confidence among customers.

Difference between Cooperative Banks and Scheduled Commercial Banks:

	Cooperative Banks	Scheduled Commercial Banks
1.	Provide finance to agriculturists, rural industries and to trade and industry of urban areas.	Banking services to individuals and business
2.	They are owned and operated by members, who are its customers.	They include public and private sector banks, with respective government and private ownership.
3.	Dual-regulation of Urban Co-operatives: State Registrars of Co-operative Societies (RCS) – for single state banks; Central Registrar of Co-operative Societies (CRCS) for multi state banks RBI under Banking Regulations Act 1949 and Banking Laws (Co-operative Societies) Act, 1955.	Regulated by RBI under Banking Regulation Act, 1949.
4.	Operates on the principles of cooperation, such as open membership, democratic decision making and mutual help.	Operates with profit motives.
5.	Slightly higher interest rates.	Interest rate on deposits is less.

Advantages of Cooperative Banking:

- Effective alternative to unregulated banking: Cooperative Banking provides effective alternative to the traditional defective credit system of the village money lender.
- Easy availability of credit: It provides cheap credit to masses in rural areas. Cooperatives Banks offers higher interest rate on deposits.
- Encouraged the culture of savings and investments: Instead of hoarding money, rural people tend to deposit their savings in the cooperative or other banking institutions.
- Improved agricultural practices: Cooperative societies have also greatly helped in the introduction of better agricultural methods. Cooperative credit is available for purchasing improved seeds, chemical fertilizers, modern implements, etc

Challenges of Cooperative Banks:

- Organizational and financial limitations of the primary credit societies considerably reduce their ability to provide adequate credit to the rural population.

- Transparency issues: Banks show inadequate governance and financial irregularities which have multidimensional impacts. For ex: financial irregularities, failure of internal control and system, and underreporting of exposures in case of PMC Bank issue.
- Resource constraints: Raising working capital has been a major hurdle in their effective functioning. Also, large amounts of overdues restrict the recycling of the funds and adversely affect the lending and borrowing capacity of the cooperative.
- Competition from other banks: With faster adaptability of technology and customer friendly services, people prefer taking credit from Scheduled Commercial Banks, Payments Banks, and Small-Finance Banks.
- Regional Disparities: Cooperatives in other states are not as well developed as the ones in Maharashtra and Gujarat. There is a lot of friction due to competition between different states which affects the working of cooperatives.

Suggestions for their better performance:

- Countering dual-regulation problem: Setting up of an independent regulator for Urban Cooperative Banks. Setting up a board of management of eligible and proper persons as opposed to elected Directors. (H Malegam committee). Merging and converting some of the Co-operative Banks to Small Finance Banks (R. Gandhi Committee) as is being implemented under the voluntary transition scheme of RBI.
- Resolving capital issues by forming a Joint Stock Company: An umbrella organization should be promoted by the banks themselves to raise the capital from the market.
- Empowering RBI: RBI should be empowered to implement resolution techniques such as winding-up and liquidating banks, without involving other regulators under the cooperative societies' laws.
- Regular scientific audit system: State governments should regularly conduct a forensic audit of the loan portfolios & purchases of a representative sample of cooperative banks. Accountability for erroneous audit along with penal action should also be ensured through appropriate statute.

Conclusion: Hence, the RBI must ensure that Cooperative Banks adopt more professionalism in order to retain people's confidence in the banking sector.

**DAILY CURRENT AFFAIR MCQS**

1. With reference to the *Nelloptodes gretae*, consider the following statements:
  1. It is a tiny species of beetle and belongs to the Ptiliidae family, which is made up of some of the world's smallest beetles.
  2. Recently it has been named after Swedish climate activist Greta Thunberg.

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. Exercise Shakti is between India and which of the following country?
 

(a) **France**  
(b) Germany  
(c) Mongolia  
(d) Singapore
3. With reference to the electoral reforms, consider the following statements:
  1. Recently the Central Government has amended the Rules to facilitate the process of postal ballot paper for Absentee voters of essential services, Senior citizens of more than 80 years and marked PwD electors.
  2. A concept of 'absentee voter' has been introduced and defined for the elections.

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. With reference to the 'Absentee voters', consider the following statements:
  1. Article 326 of the Constitution of India deals with "Absentee voters" for the members of the armed forces among others.
  2. It also includes Persons with Disabilities and Senior citizens.

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
5. With reference to the carbon capture, consider the following statements:
  1. Indian Institute of Technology, Delhi have recently developed a new technology to capture carbon dioxide from a stream of air, virtually at any concentration level.
  2. The new method could remove carbon dioxide from a stream of gas even when it was present in very low concentrations.

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
6. Ik Onkar is the symbol that represents the unity of God in which of the following religion?
 

(a) **Sikhism**  
(b) Islam  
(c) Hinduism  
(d) Judaism
7. With reference to the Universal Postal Union (UPU), consider the following statements:
  1. It is a specialized agency of the United Nations (UN) with its Headquarters at New York.
  2. It was established by the Treaty of Bern in 1874.

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 'Share Swap Ratio', a commonly used term in case of mergers and acquisitions, consider the following statements:
  1. Share swap during mergers is considered as transfer of shares and thereby subject to capital gains tax.
  2. Merger or acquisition often results in an unfair transfer of wealth from one group to another.

Which of the statements given above is/are INCORRECT?

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