

**1. With reference to the Fiscal Responsibility and Budget Management (FRBM) Review Committee Report, consider the following statements.**

1. It has recommended lowering the debt-to-GDP ratio down to 60 per cent — comprising 40 per cent for the Centre and 20 per cent for the states.
2. It allows an 'escape clause' under which a 2 percent relaxation in fiscal deficit targets is available in exceptional cases.

**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

Answer: A

**Explanation:**

- Fiscal Responsibility and Budget Management (FRBM) Act was enacted in 2003 which set targets for the government to reduce fiscal deficits. It was mandated that both states and the centre would cut the fiscal deficit to 3% by 2008-09. The targets were put off several times.
- In 2016, the government set up a committee under **NK Singh** to review the FRBM Act.
- The committee recommended that the central government should bring down the fiscal deficit to 3% of the GDP by 2020, cut it to 2.8% in 2020-21 and 2.5% by 2023.
- The committee also recommended that states should keep their fiscal deficit under 3% of their respective gross state domestic product (GSDP).
- It also allows an **escape clause** under the FRBM Act that provides for a deviation from the estimated fiscal deficit on some exception cases such as:
  - Overriding considerations of national security, acts of war, and calamities of national proportion and collapse of agriculture severely affecting farm output and incomes
  - Far-reaching structural reforms in the economy with unanticipated fiscal implications
  - A sharp decline in real output growth of at least 3 percentage points below the average for the previous four quarters.
- **Statement 2 is incorrect:** The deviation from the stipulated fiscal deficit target **must not exceed 0.5 percentage points.**

- Escape clauses provide flexibility to governments to overshoot fiscal deficit targets in times of need, enabling them to respond to economic shocks.
- **Statement 1 is correct:** It also suggested that India should adopt a debt-to-GDP ratio as a new anchor of fiscal policy along with the fiscal deficit and gradually bring it down to 60 per cent — comprising of 40 per cent for the Centre and 20 per cent for the states.
- In the Union Budget 2020-21, the government pegged the fiscal deficit as a percentage of the GDP for FY20 and FY21 at 3.8 per cent and 3.5 per cent, respectively, invoking the **escape clause** in the FRBM Act.  
<https://www.pressreader.com/india/thehindu/20200711/281801401257269>

**2. The territories “West Bank” and “Gaza strip” are sometimes mentioned in the news in the context of the affairs of**

- A. China and Philippines
- B. Saudi Arabia and Yemen
- C. Iraq and Iran
- D. Israel and Palestine

Answer: **D**

**Explanation:**

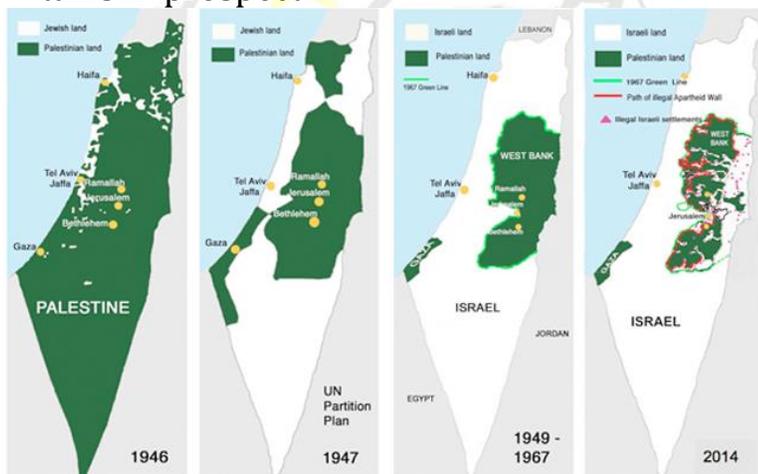
**Israel-Palestine conflict**

- Jerusalem lies in the heart of the Israel-Palestine conflict. The tussle is over who gets to control the ancient city that is sacred to Jews, Muslims and Christians.
- After the end of the **First Arab-Israel War in 1948**, Jerusalem was partitioned into West and East, under Israeli and Palestinian control respectively.
- But in 1967, during the **Six-Day Arab-Israel War**, Israel occupied East Jerusalem from Jordanian forces, and Israel’s Parliament declared the territory had been annexed to Israel.

- This marginalised the Palestinians, who wanted East Jerusalem to be their capital under the “**two-state solution**”.

### What is it?

- Its basis is two separate states, Israel and Palestine, living peacefully side by side on the land between the western bank of the Jordan river and the Mediterranean Sea.
- This territory would be divided broadly along the **pre-1967 armistice line or “green line”**
- **Jerusalem**, which both sides want as their capital, would be shared.
- Past negotiations have failed to make progress and there are currently no fresh talks in prospect.



### Oslo Accords & India’s position

- Despite Israel’s hold over the Jerusalem, in 2016, the UN reaffirmed that Jerusalem’s Palestinian territories were under “hostile occupation”.
- Undeterred by the refusal of the international community to endorse the annexation, Israel further expanded settlements in the territories of East Jerusalem.
- Under the **Oslo Accords** of the 1990s, both Israel and the Palestinians agreed that the status of settlements would be decided by negotiations. But the negotiations process has been stalled for several years now.
- India has **traditionally backed a two-state solution** to resolve the Israel-Palestine conflict.

### Why in News?

- Israeli Prime Minister Benjamin Netanyahu recently said he is planning to effectively annex parts of the occupied West Bank.

### What is the West Bank?

- It is a chunk of land located - as the name suggests - on the west bank of the River Jordan and bounded by Israel to the north, west and south. To its east lies **Jordan**.
- Since the Six-Day War in 1967, also known as the Third Arab-Israeli War, the West Bank has been **occupied by Israel**. Both Israelis and Palestinians assert their rights to the territory of the West Bank and its disputed status and the conflict has not been resolved as yet.
- Between 2.1 million and 3 million Palestinian Arabs live in the West Bank under both limited self-rule and Israeli military rule.
- The West Bank is also home to some 430,000 Israeli Jews who live in 132 settlements built under Israel's occupation.
- The vast majority of the international community considers the settlements **illegal under international law**, though Israel disputes this interpretation.

### Possible repercussions

- Palestinians have sought the entire territory of the West Bank and the **Gaza strip** (*a self-governing Palestinian territory on the eastern coast of the Mediterranean Sea*) for an independent Palestinian state in the future, to which they claim historical right.
- Israel, on the other hand, claims that it has historical and religious rights over the West Bank because it believes that the territory is the ancestral land of the Jewish people.
- These annexation plans have been extremely controversial because it would mean Israel unilaterally declaring sovereignty over parts of occupied Palestinian territory in the West Bank. Such moves are also **contrary to the two-state solution** and have the potential to trigger further conflict in the region.

<https://www.pressreader.com/india/the-hindu/20200711/282243782888757>

**3. Consider the following pairs :**

**Communities sometimes mentioned in the news in the affairs of**

1. Uighurs : China
2. Kurd : Myanmar
3. Madhesi : Nepal

Which of the pairs given above is/are correctly matched?

- A. 1 and 2 only
- B. 1 and 3 only
- C. 2 and 3 only
- D. 1, 2 and 3

Answer: **B**

**Explanation:**

**Correct Answer**

1. Uighurs : China
2. Kurd : Iran/Middle East
3. Madhesi : Nepal

**4. Consider the following statements about the National Company Law Tribunal (NCLT).**

1. It is a quasi-judicial authority incorporated for dealing with corporate disputes that are of civil nature arising under the Companies Act.
2. NCLT adjudicates insolvency resolutions for individuals and partnership firms under the Insolvency and Bankruptcy Code.

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

Answer: A

**Explanation:**

- **Statement 1 is correct:** The National Company Law Tribunal is a quasi-judicial authority established by the Central Government in 2016 under the Companies Act of 2013 for dealing with corporate disputes that are of civil nature arising under the Companies Act.
- The Company Law Board which was set up under the Companies Act, 1956 stands dissolved with the establishment of **National Company Law Tribunal (NCLT)** and **National Company Law Appellate Tribunal (NCLAT)**.
- The Tribunal and Appellate Tribunal follows the rules laid down in the Code of Civil procedure, and it is also guided by the principles of natural justice.
- **No other civil court** has the jurisdiction to consider any case concerning any matter which the Tribunal and Appellate Tribunal is empowered to decide.
- Any **appeal** on the order of Tribunal can be raised at the National Company Law Appellate Tribunal. Appeals can be made within 45 days from the date of the decision of the Tribunal. The Appellate Tribunal has to dispose the appeal within six months from the date of the receipt of the appeal.
- The government has appointed 11 benches for NCLT. Selection of members is done by a selection committee headed by the Secretary of the Corporate Affairs Ministry (MCA).

**About IBC**

- The Insolvency and Bankruptcy Code (IBC) creates time-bound processes for insolvency resolution of companies and individuals. These processes will be completed within 180 days (unless extended by a one time extendable period of 90 days). If insolvency cannot be resolved, the assets of the borrower may be sold to repay creditors (known as liquidation).
- The resolution processes are conducted by licensed insolvency professionals (IPs). These IPs are members of insolvency professional agencies (IPAs).

- **Information utilities (IUs)** are established to collect, collate and disseminate financial information to facilitate insolvency resolution.
- **Statement 2 is incorrect:** The **National Company Law Tribunal** adjudicates insolvency resolution for companies and Limited Liability Partnerships. The **Debt Recovery Tribunal (DRT)** adjudicates insolvency resolution for individuals and partnership firms.
- The **Insolvency and Bankruptcy Board of India (IBBI)** regulates the functioning of IPs, IPAs and IUs.
- IBC was later amended with the provision to **bar promoters from bidding for their own companies**. It prevented defaulters from regaining control of their companies at a cheaper value
- The code was again amended in 2019 which mandates a deadline for the completion of the resolution process **within 330 days, including all litigation and judicial processes**.

**5 Consider the following statements about the PM KUSUM scheme?**

1. The scheme aims at installation of solar pumps and grid connected solar and other renewable power plants in the country.
2. It was launched by the Ministry of Agriculture and Farmers' Welfare.

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

Answer: A

**Explanation:**

- **Statement 1 is correct:** The Pradhan Mantri Kisan Urja Suraksha evam Utthan Mahabhiyan (PM KUSUM) Scheme was launched in 2019 for installation of solar pumps and grid connected solar and other renewable power plants in the country.

- **Statement 2 is incorrect:** It was launched by the **Ministry of New and Renewable Energy**.
- Under the Kusum scheme farmers, panchayat, co-operative societies can apply to plant a solar pump. The total cost involved in this scheme is divided into three categories in which the Government will help farmers.
- Government will provide a subsidy of 60% to farmers and 30% of the cost will be given by Government in the form of loans. Farmers will only have to give 10% of the total cost of the project. The electricity generated from the solar panel can be sold by the farmers.
- The scheme consists of three components:
  - **Component-A:** 10,000 MW of Decentralized Ground Mounted Grid Connected Renewable Power Plants.
  - **Component-B:** Installation of 17.50 lakh standalone Solar Powered Agriculture Pumps.
  - **Component-C:** Solarisation of 10 Lakh Grid-connected Solar Powered Agriculture Pumps.
- The scheme aims to add solar and other renewable capacity of 25,750 MW by 2022 with total central financial support of Rs. 34,422 Crore including service charges to the implementing agencies.

***Benefits of the Scheme:***

- The Scheme will have substantial environmental impact in terms of savings of CO<sub>2</sub> emissions. All three components of the Scheme combined together are likely to result in saving about 27 million tonnes of CO<sub>2</sub> emission per annum.
- Further, Component-B of the Scheme on standalone solar pumps may result in saving of 1.2 billion liters of diesel per annum and associated savings in the foreign exchange due to reduction of import of crude oil.
- The scheme has direct employment potential. Besides increasing self-employment the proposal is likely to generate employment opportunities equivalent to 6.31 lakh job years for skilled and unskilled workers.

<http://newsonair.com/News?title=Advisory-issued-against-fraudulent-websites-claiming-registration-under-PM-KUSUM-Scheme&id=393428>