

1. What is/are the difference between a payment bank and a small finance bank?

1. Small Finance Banks primarily undertake basic banking activities of acceptance of deposits and lending to unserved and underserved sections, whereas Payment Banks cannot perform lending activities.
2. Payment Banks cannot provide debit card facilities like Small Finance Banks.

Select the correct answer using the code given below.

- A. 1 only
- B. 2 only
- C. Both 1 and 2
- D. Neither 1 nor 2

Answer: A

Explanation:

Payment Banks:

- Payment banks are the new age banks with limited facility. These banks mostly operate through the small vendors and shopkeepers. It exist in between the mobile wallet and regular banks.
- A payment bank provides following services to its customers.
 - Accept demand deposits (currently restricted upto Rs.1 lakh)
 - Remittance services
 - Mobile payments
 - Fund transfers
 - Debit card and associated services (Payment banks are not allowed to provide credit card facilities) **Hence, statement 2 is incorrect.**
 - Net Banking services
 - Sell third-party financial products like insurance and mutual funds
 - They can't offer loans. **Hence, statement 1 is correct.**
- The Reserve Bank expects payment banks to target India's migrant labourers, low-income households and small businesses, offering savings accounts and remittance services with a low transaction cost.

Small Finance Banks:

IAS ACADEMY RUN BY FORMER CIVIL SERVANTS

- The small finance bank primarily undertake basic banking activities of acceptance of deposits and lending to unserved and underserved sections including small business units, small and marginal farmers, micro and small industries and unorganised sector entities.
- There are no restrictions in the area of operations of small finance banks.
- The small finance banks are subject to all prudential norms and regulations of RBI as applicable to existing commercial banks including requirement of maintenance of Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR).
- The small finance banks will be required to extend 75 per cent of its Adjusted Net Bank Credit (ANBC) to the sectors eligible for classification as priority sector lending (PSL) by the Reserve Bank.
- At least 50 per cent of its loan portfolio should constitute loans and advances of upto Rs. 25 lakh.
- **They are eligible to provide credit card and debit card facilities and associational services.**

Why in the news?

- The RBI has doubled the limit of maximum balance that an individual customer can hold with payments banks (PBs) to ₹2 lakh from ₹1 lakh earlier with immediate effect to expand the ability of lenders to cater to the needs of MSMEs and other businesses.

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.

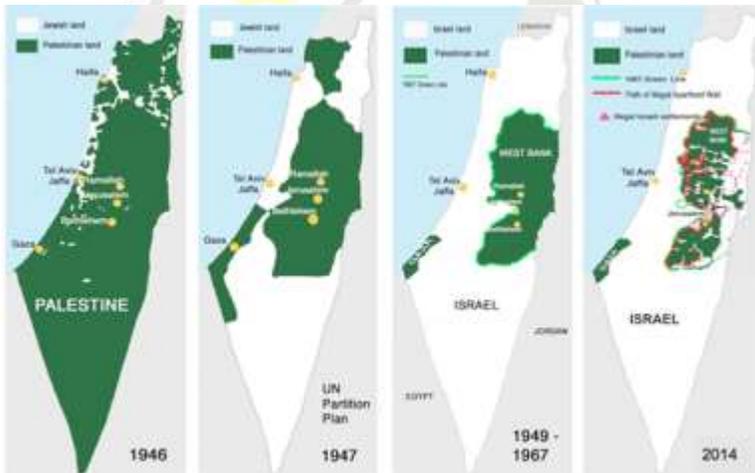
OFFICERS IAS ACADEMY

IAS ACADEMY RUN BY FORMER CIVIL SERVANTS

- 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.

What is the West Bank?

IAS ACADEMY RUN BY FORMER CIVIL SERVANTS

- 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

- Palestians 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.

3. In this infrastructure model, a road developer constructs the road and he is allowed to recover his investment through toll collection. There is no government payment to the developer as he earns his money invested from tolls.

Which one of the following infrastructure models is described in the above passage?

- A. Engineering, Procurement and Construction Model
- B. Toll Operate and Transfer model
- C. The Hybrid Annuity Model
- D. The Build Operate and Transfer Toll Model

Answer: D

Explanation:

Infrastructure models:

Toll Operate and Transfer (TOT) model

- The TOT model was introduced in 2016 to monetise publicly-funded highways.
- Under this model, public funded projects, operational for one year, would be put up for bidding.
- The highest bidder wins the rights to operate and maintain operating road assets for 15-30 years, with rights to toll revenues from these assets until then.
- This model is more attractive for investors as they don't have to build an infrastructure project from scratch.
- Accordingly, 75 operational NH projects completed under public funding were identified for potential monetization using the TOT Model.

The Build Operate and Transfer (BOT) Annuity Model

- Under BOT annuity, a developer builds a highway, operates it for a specified duration and transfers it back to the government.
- The government starts payment to the developer after the launch of commercial operation of the project. Payment will be made on a six-month basis.

BOT Toll Model

- In the toll-based BOT model, a road developer constructs the road and he is allowed to recover his investment through toll collection.
- This toll collection will be over a long period which is nearly 30 years in most cases. There is no government payment to the developer as he earns his money invested from tolls.

Engineering, Procurement and Construction (EPC) Model

- Under this model, the cost is completely borne by the government.
- Government invites bids for engineering knowledge from private players. Procurement of raw material and construction costs are met by the government.
- The private sector's participation is minimum and is limited to the provision of engineering expertise. The difficulty of the model is the high financial burden for the government.

The Hybrid Annuity Model (HAM):

- The HAM is a mix of BOT Annuity and EPC models.
- As per the design, the government will contribute to 40% of the project cost in the first five years through annual payments (annuity). The remaining payment will be made on the basis of the assets created and the performance of the developer.
- There is no toll right for the developer.
- Under HAM, Revenue collection would be the responsibility of NHAI.

OFFICERS IAS ACADEMY

IAS ACADEMY RUN BY FORMER CIVIL SERVANTS

- Advantage of HAM is that it gives enough liquidity to the developer and the financial risk is shared by the government.

4. Consider the following statements with respect to Yakshagana

- 1) Yakshagana is a classical folk art of Karnataka.
- 2) It is a theatrical form of presenting Mythological and historical stories.

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: C

Explanation:

Both the statements are correct:

- **Yakshagaana, traditional theatre form of Karnataka, is based on mythological stories and Puranas.**
- The most popular episodes are from the Mahabharata i.e. Draupadi swayamvar, Subhadra vivah, Abhimanyu vadh, Karna-Arjun yuddh and from Ramayana i.e. Raajyaabhishek, Lav-kush Yuddh, Baali-Sugreeva yuddha and Panchavati.
- It is performed with massive headgears, elaborate facial make-up and vibrant costumes and ornaments.
- It is performed with percussion instruments like chenda, maddalam, jagatta or chengila (cymbals) and chakratala or elathalam (small cymbals).



5. National Green Tribunal (NGT) has jurisdiction over which of the following acts?

1. The Forest (Conservation) Act, 1980
2. Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006
3. Wildlife (Protection) Act, 1972
4. The Environment (Protection) Act, 1986

Select the correct answer using the codes given below

- a) 1, 3 and 4 only
- b) 1 and 4 only
- c) 2, 3 and 4 only
- d) 1, 2, 3 and 4

Answer:B

Explanation

- The National Green Tribunal has been established on under the National **Green Tribunal Act 2010** for effective and expeditious disposal of cases relating to environmental protection and **conservation of forests** and other natural resources including **enforcement of any legal right relating to environment** and giving relief and compensation for damages to persons and property and for matters connected therewith or incidental thereto.
- It is a **specialized body equipped with the necessary expertise to handle** environmental disputes involving multi-disciplinary issues. The Tribunal shall not be bound by the procedure laid down under the Code of Civil Procedure, 1908, but shall be guided by principles of natural justice
- The Tribunal's dedicated jurisdiction in environmental matters shall provide **speedy environmental justice** and help reduce the burden of litigation in the higher courts.
- The NGT deals with civil cases under the seven laws related to the environment, these include
 1. The Water (Prevention and Control of Pollution) Act, 1974
 2. The Water (Prevention and Control of Pollution) Cess Act, 1977
 3. The Forest (Conservation) Act, 1980
 4. The Air (Prevention and Control of Pollution) Act, 1981
 5. The Environment (Protection) Act, 1986
 6. The Public Liability Insurance Act, 1991 and
 7. The Biological Diversity Act, 2002

OFFICERS IAS ACADEMY

IAS ACADEMY RUN BY FORMER CIVIL SERVANTS

- Two important acts - **Wildlife (Protection) Act, 1972** and **Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006** **have been kept out of NGT's jurisdiction.**

