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## DAILY NEWS DIARY

Of

**23.04.2021**

# FOR PRELIMS AND MAINS

Warm Greetings.

- DnD aims to provide every day news analysis in sync with the UPSC pattern.
- It is targeted at UPSC – Prelims & Mains.
- Daily articles are provided in the form of Question and Answers
  - To have a bank of mains questions.
  - And interesting to read.
  - Providing precise information that can be carried straight to the exam, rather than over dumping.

Enjoy reading.

THE HINDU - TH  
INDIAN EXPRESS - IE  
BUSINESS LINE - BL  
ECONOMIC TIMES - ET  
TIMES OF INDIA - TOI

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## INDEX

### Editorial

1. Immediate recapitalisation of banks.....04

### GS 2

#### ❖ International Relations

1. Deep submergence rescue vessel to assist Indonesia in operations off Bali.....05

#### ❖ International Relations

2. U.S.A sees 'an extraordinary engine' of job creation in the climate response.....06

### GS 3

#### ❖ Economic Development

1. Impacts of Covid-19 on small bussiness's in India.....07



## ESSAY PAPER

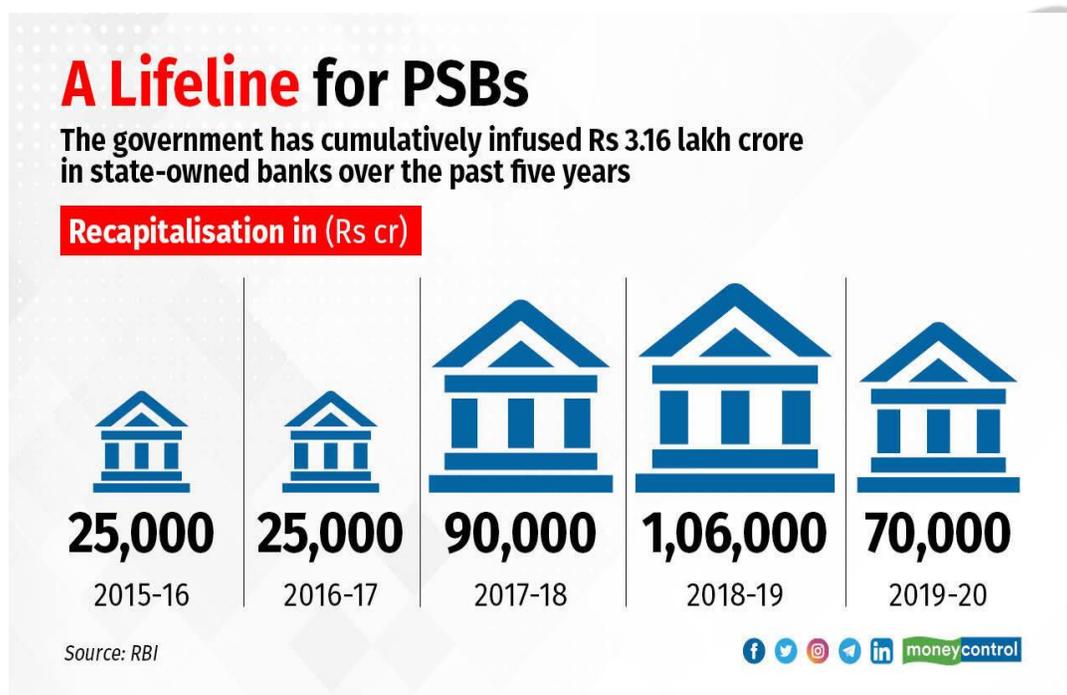
### EDITORIAL

**Q- Explain why Immediate recapitalisation of banks is needed to keep the flow of credit going?**

**INTRODUCTION** = The ongoing second wave of Covid-19 has introduced a big element of uncertainty in India's economic prospects for 2021-22. Given this backdrop, FM Sitharaman did well to reassure industry during a recent engagement with its representatives. She promised that government will support recovery and urged them to wait and watch to assess the situation. The surge has come at an inopportune time. **In the current financial year, RBI forecast the economy will bounce back with an annual growth of 10.5%.** It's early days but there is now a higher downside risk to that forecast.

**Steps to be taken -**

1. One way to mitigate the fallout of the current situation is **for government to selectively advance some of its proposed spending** - An area where there is compelling need is **recapitalisation of public sector banks**.
2. The Budget proposed a recapitalisation of Rs 20,000 crore, which now needs to be done at the earliest.
3. Last year's stimulus was based mainly on monetary policy measures.



4. Not only was RBI's policy rate lowered, it was complemented by measures to enhance the potential supply of money.
5. However, it hasn't had the desired effect on banks on account of risk aversion arising from an uncertain environment.

Right now, the uncertainty has been exacerbated by a combination of localised lockdowns and disruptions due to a surge in infections. The outcome will be to make banks even more risk averse as the resilience of smaller firms is being severely tested. **RBI's January financial stability report estimated that 14.8% of bank advances can turn bad by September under a severe stress scenario.** This scenario will choke the flow of credit even to firms that are strong enough to survive. One way to head off a situation of dwindling credit flow is to reassure banks by recapitalising them early. That's what the government should do soon.

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**GS 2**

❖ **International Relations**

**Q- Write a brief note on the deep submergence rescue vessel to assist Indonesia in operations off Bali?**

**BACKGROUND** = The Indian Navy dispatched its deep submergence rescue vessel (DSRV) from Visakhapatnam to support the Indonesian Navy in the search and rescue efforts for its submarine KRI Nanggala that went missing on Wednesday with 53 personnel aboard.

### Indonesian navy submarine missing

Indonesia, Australia and Singapore are searching for a submarine that went missing north of the resort island of Bali with 53 people on board. The KRI Nanggala-402 was participating in a training exercise

200km  
125 miles

Apr 21: Submarine missing about 96km north of Bali - water depth of 600-700m

JAV A SEA

Jakarta

WEST JAVA

Surabaya

EAST JAVA

BALI SEA

Oil slick

INDONESIA

INDIAN OCEAN

Banyuwangi Naval Base

BALI

**KRI Nanggala-402**  
German-built, Cakra-class, type-209/1300 diesel-electric attack submarine.  
Displacement: 1,395 tonnes

Length: 59.5m  
Beam/width: 6.3m  
Draught/height: 5.5m  
Speed (submerged): 40km/h  
Range: 12,000km

Eight torpedo tubes.  
Carries 14 x 533mm torpedoes

Four diesel engines.  
Runs on electric batteries while submerged  
Collapse depth estimated at 200m

Sources: AFP, Associated Press, Janes, Reuters © GRAPHIC NEWS

On April 21, an alert was received by the Navy through the International Submarine Escape and Rescue Liaison Office (ISMERLO), regarding the missing Indonesian submarine, the submarine was reportedly exercising in a location 25 miles north of Bali.

The DSRV departed by sea and has to cover a distance of approximately 2,500 nautical miles.

KRI Nanggala 402 was participating in a torpedo firing exercise when it went missing. The Indonesian Defence Ministry said the submarine lost contact after being granted clearance to dive.

The Indonesian Navy launched a massive search and rescue effort for the missing submarine and requested assistance from countries in the region. The 53 personnel onboard are 49 crew members, three gunners and its commander.

#### **About India's DSRV -**

India is amongst the few countries in the world capable of undertaking search and rescue of a disabled submarine through a DSRV.

"Indian Navy's DSRV system can locate a submarine up to 1,000-metre depth utilising its state-of-the-art side scan sonar and remotely operated vehicle," adding that after the submarine is successfully located, another sub module of DSRV — the submarine rescue vehicle (SRV) — links with the submarine to rescue the trapped personnel. The SRV can also be used to provide emergency supplies to the submarine.

The Singapore Navy has already pressed its rescue vessel while Australia too has offered assistance.

#### ❖ **International Relations**

**Q- Explain how U.S.A sees 'an extraordinary engine' of job creation in the climate response and its plan of action to achieve the same?**

**BACKGROUND** = U.S. President Joe Biden announced that the U.S. would cut its greenhouse gas emissions by 50%-52% by 2030 relative to 2005 levels, in a clean break with the Trump administration policies on climate action. And also announced that the U.S. would double, by 2024, its annual financing commitments to developing countries, including a tripling of its adaptation finance by 2024.

- The emissions targets — part of the Paris Agreement on climate — are non-binding and the details of how they will be achieved are not available. However, in announcing the targets, the Biden administration is hoping to encourage other countries to increase their commitment.
- Mr. Biden's financing announcements are part of a \$100 billion a year commitment from developed countries to developing countries for the period 2020-25.
- The withdrawal of the U.S. from the Paris Agreement means it has not yet met its financing commitments either. The Obama administration had promised \$3 billion to the Green Climate Fund (to help developing countries), only \$1 billion has been paid.



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### Jobs and growth

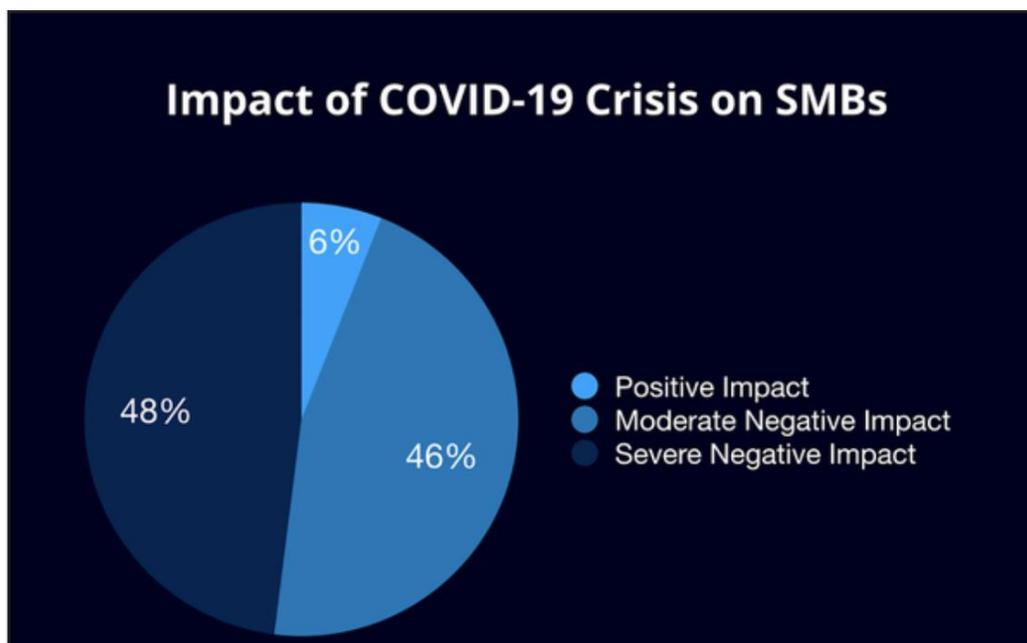
President Biden and his administration have linked climate action and clean technology to jobs and economic growth, extending this message to other countries. By maintaining those investments and putting these people to work, the United States sets out on the road to cut greenhouse gases in half — in half — by the end of this decade.

### GS 3

#### ❖ Economic Development

##### Q- Discuss the impacts of Covid-19 on small bussiness's in India?

**BACKGROUND** = More than 82% of businesses have suffered a negative impact on account of COVID-19 and 70% expect it will take almost a year for demand to recover to pre-pandemic levels. About 60% of the companies surveyed by Dun & Bradstreet said they would require more support measures, including government initiatives, to withstand the adverse impact.



Three key challenges that were most likely to hinder small businesses' recovery -

1. Market access (42%),
2. Improving overall productivity (37%)
3. And access to more finance (34%)

The survey covered responses from more than 250 small businesses (50% each in manufacturing and services sectors) with annual revenue between ₹100 crore and ₹300 crore across seven major cities in India. The data indicated that about 95% of firms were impacted in April 2020 when the nationwide lockdown was imposed. Even with progressive unlocking, 70% of businesses remained disrupted till August 2020 and 40% till the end of February 2021.

Small business owners cited three most important support measures they needed to revive their businesses post the pandemic —

1. Better credit facility (59%),
  2. Better marketing support (48%)
- And adoption of technology (35%)

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**Consider the following statements:**

1. The higher value of Biochemical Oxygen Demand (BOD) indicates low dissolved oxygen (DO) content of water.
2. The higher amount of waste decreases the rates of decomposition and O<sub>2</sub> consumption.
3. Water pollution by organic wastes is measured in terms of Biochemical Oxygen Demand (BOD).

**Which of the above given statements is/are correct?**

- a. 1 and 2 only
- b. 1 and 3 only
- c. 2 and 3 only
- d. All the above



**In the approaches of planning an economy, the basic difference between Imperative and Indicative Planning?**

- a. In the case of Imperative Planning market mechanisms are entirely replaced by a common hierarchy, while in case of Indicative Planning, it is looked upon as a way to improve the functioning of market system.
- b. In the case of Indicative Planning there is no need to nationalise any industry.
- c. In the case of Imperative Planning all economic activities belong to public sector, while in the other type they belong to the private sector.
- d. It is easier to achieve targets in Imperative type of Planning

**Answer –A**

**NOTE:**

Indicative Planning	Imperative Planning
<ul style="list-style-type: none"> <li>• Indicative planning is mostly found in the capitalist and mixed economies.</li> <li>• It refers to a planning system where the state instead of providing commandments, helps in facilitating the working of the market by providing strong institutions (private property rights, strong &amp; efficient markets, judicial system etc.). under indicative planning system, the role of the state is to indicate and provide directions to the market for their functioning. In such a system market and state complements each other.</li> <li>• France was the first country to try indicative planning.</li> <li>• India adopted the indicative planning approach in Eighth Five Year plan, when it abandoned the</li> </ul>	<ul style="list-style-type: none"> <li>• Economic decisions are made through the centralised planning authority usually the government.</li> <li>• The decisions pertaining to allocation of the scarce resources, distribution of resources and choice of production methods are taken by the government in accordance with the predetermined targets and goals.</li> <li>• Tight control by the government and rigid rules and regulations are a hall mark of such planning system.</li> <li>• The market forces of demand and supply have a very limited role to play in such centralised system.</li> </ul>

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