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DAILY NEWS DIARY

Of

**17.09.2021**

**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  
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ECONOMIC TIMES - ET  
TIMES OF INDIA - TOI



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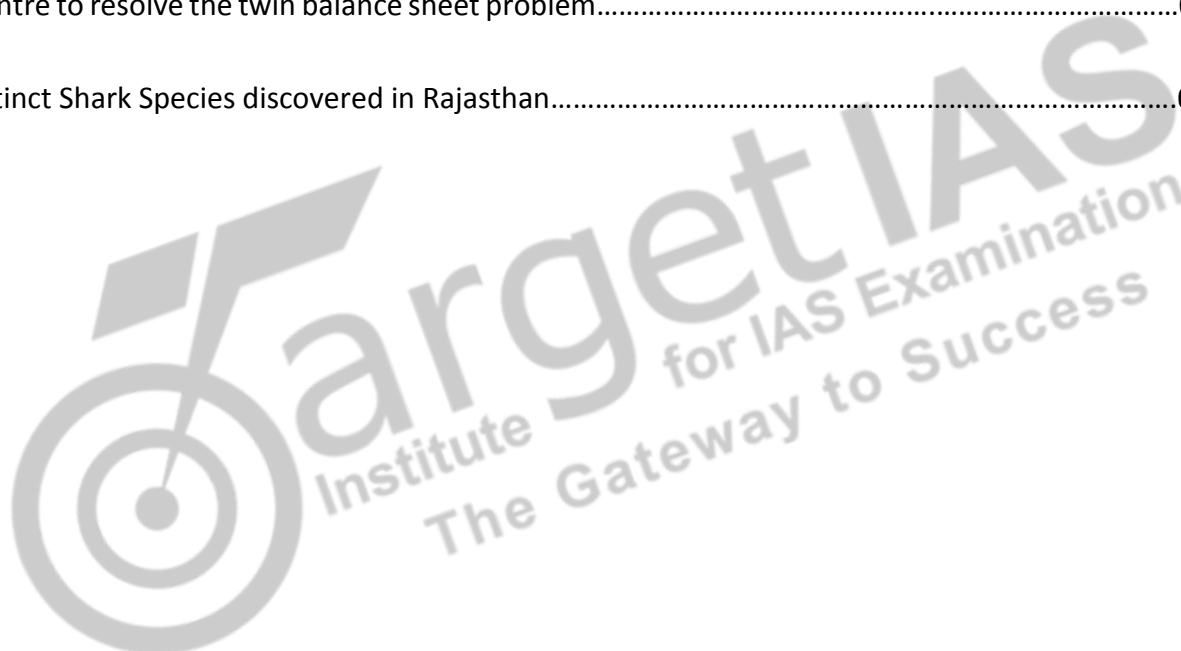
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## ESSAY PAPER

### Editorial

#### **Q- AUKUS pact to undermine regional peace. Elaborate?**

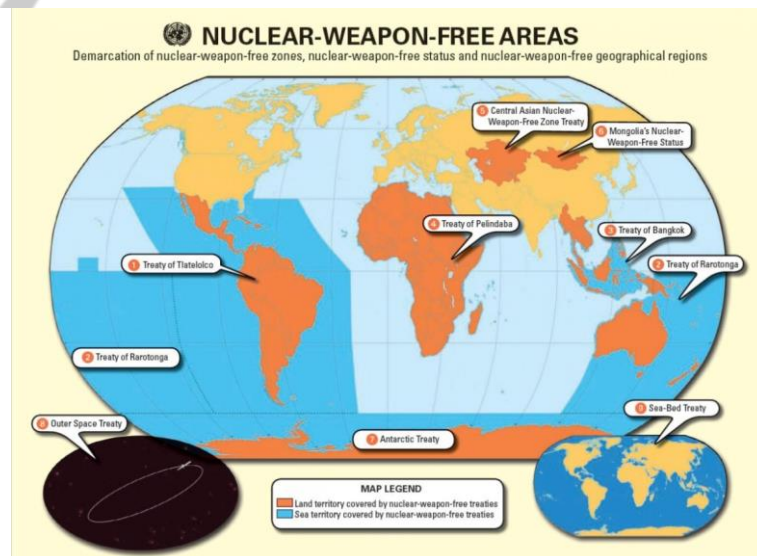
**INTRODUCTION** = The U.S. has joined with the U.K. and Australia to announce a new trilateral security partnership, the AUKUS, that aims to ensure that there will be enduring freedom and openness in the Indo-Pacific region, particularly to “address both the current strategic environment in the region and how it may evolve”.

#### **Two dimensions are significant:**

1. First, that it **complements several pre-existing similar arrangements for the region, including the Five Eyes intelligence cooperation initiative, ASEAN and the Quad**, the last including India.
2. And second, that **it proposes to transfer technology** to build a fleet of nuclear-powered submarines for Australia within 18 months.
  - a. Australia has ratified the nuclear NPT and has vowed to abide by its tenets,
  - b. These are conventionally armed submarines that are powered by nuclear reactors. This technology is proven.” Australia will become only the second nation, after the U.K., that the U.S. has ever shared its nuclear submarine technology with.

#### **Regional Critics -**

1. The announcement of the partnership led to a minor kerfuffle with New Zealand, whose Prime Minister Jacinda Ardern said that under her country’s 1984 nuclear-free zone policy, Australia’s nuclear-powered submarines would not be allowed into the former’s territorial waters.



2. It also appeared to upset the political leadership in France, with whom Australia had struck a deal — now cancelled — for \$90 billion worth of conventional submarines.
3. The broader strategic question that the creation of AUKUS begs relates to the unstated challenge that the group poses to the regional hegemonic ambitions of China, particularly regarding how far the U.S., the U.K. and Australia, along with other regional powers, will go, to preserve a free and open Indo-Pacific, including the South China Sea.
  - Will the operationalisation of this security partnership lead to closer coordination among the nations concerned in terms of joint military presence, war games and more in the region, signalling a new, “latticed” posture to Beijing?
  - After all, undersea capabilities including the ability to patrol may be vital to deterring Chinese military coercion in the region.

### **Way Forward**

Whether or not the purpose of AUKUS is to contain China’s aggressive territorial ambitions, the imperatives of the Indo-Pacific would be better served by broadening strategic cooperation initiatives of this sort to include other powers that are deeply invested in the region, including India, Japan, and South Korea.

GS 2

### **❖ International Relations**

**Q- Why is the Collective Security Treaty Organisation (CSTO) recently in news and what is its role in ensuring peace and security in Afghanistan?**

**BACKGROUND** = Moscow has moved to cement its position as a key player in the region after the United States’ hasty retreat from Afghanistan and the Taliban’s takeover of the country.

The general secretary of the Moscow-led Collective Security Treaty Organisation (CSTO) Stanislav Zas said the group would hold several “largescale exercises” in Tajikistan next month, amid what it described as a deteriorating situation in neighbouring Afghanistan.

### **About CSTO –**

- CSTO is an intergovernmental military alliance that was signed on 15 May 1992.
- In 1992, six post-Soviet states belonging to the Commonwealth of Independent States— Russia, Armenia, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan—signed the Collective Security Treaty
- This is also referred to as the “Tashkent Pact” or “Tashkent Treaty”.

- Three other post-Soviet states—Azerbaijan, Belarus, and Georgia—signed the next year and the treaty took effect in 1994.
- Five years later, six of the nine—all but Azerbaijan, Georgia, and Uzbekistan—agreed to renew the treaty for five more years, and in 2002 those six agreed to create the CSTO as a military alliance.



### CSTO's role in Afghanistan –

- Tajikistan is the only country out of the six-member bloc led by Russia that shares a border with Afghanistan.
- The CSTO said in a joint statement that it was alarmed by the deterioration of security in Afghanistan. Noting that Moscow was monitoring the group's fulfilment of promises to prevent radical groups from launching attacks on Afghanistan's neighbours.

GS 3

## ❖ Economic Development

**Q- Discuss the last leg measure taken by the centre to resolve the twin balance sheet problem?**

**BACKGORUND** = While there are 28 ARCs in the private sector, there was a need for government-backed receipts for big ticket resolutions. And thus **Paving the way for a major clean-up of bad loans in the banking system, the Cabinet cleared a ₹30,600 crore guarantee programme for securities to be issued by the newly incorporated 'bad bank' for taking over and resolving non-performing assets (NPAs) amounting to ₹2 lakh crore.**

The Reserve Bank of India is in the process of granting a licence for the National Asset Reconstruction Company Limited (NARCL), following which toxic assets worth ₹90,000 crore that banks have already fully provided for will move to the NARCL.

## What it means, and how it works



Finance minister Nirmala Sitharaman on Thursday announced measures that paved way for operationalisation of the bad bank, which was originally announced in Union Budget 2021-22

**₹30,600 cr**

in guarantees to be provided by Centre to buy bad loans from banks over a period of 5 years

### WHO WILL PURCHASE THESE BAD LOANS AND HOW?

The National Asset Reconstruction Company Ltd (NARCL) has been incorporated under the Companies Act and has applied to RBI for licence as an asset reconstruction company. It will purchase bad loans at a discounted value from banks under a 15:85 structure, where it will pay up to 15% of the value in cash and issue security receipts for the rest

### WHAT WILL THIS COVER?

NARCL is intended to resolve stressed loan assets above ₹500cr which together amount to:

**₹2,00,000cr** worth bad loans

### HOW WILL THIS HELP?

This will enable speedy disposal of stressed assets and clean balance-sheets of banks

"[The structure] will incentivise quicker action on resolving stressed assets helping in better value realisation... This approach will also permit freeing up of personnel in banks to focus on increasing business and credit growth."

– NIRMALA SITHARAMAN, finance minister



The Cabinet's decision, to extend a five-year guarantee for NARCL-issued security receipts to banks, completed the entire cycle of cleaning up India's banking system that began with the recognition of the extent of bad loans in 2015.

### Process -

Under the mechanism, the NARCL will acquire assets by making an offer to the lead bank. Private sector asset reconstruction firms (ARCs) may also be allowed to outbid the NARCL. Separately, public and private lenders would combine forces to set up an India Debt Resolution Company (IDRC) that would manage these assets and try to raise their value for final resolution.

**Aid Features -**

1. A 15% cash payment would be made to the banks based on some valuation and the rest will be given as security receipts.
2. For those to hold on and have their value intact, there is a need for the government to give a back-stop arrangement and that is why this ₹30,600 crore has been cleared by the Cabinet.
3. Once the NARCL and the IDRC have finally resolved the asset, preferably as a going concern and not through liquidation proceedings, the balance 85% held as security receipts would be given to the banks.

**Making Banks Stronger -**

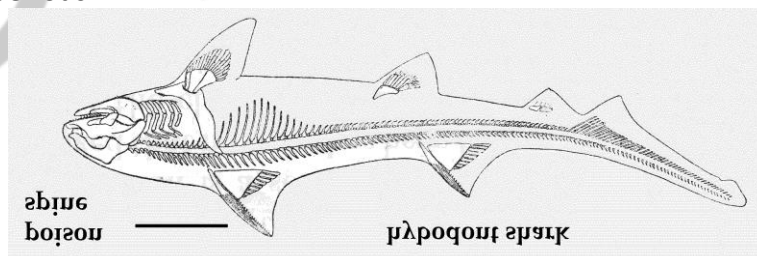
The government back-stop will come in only as much as to pay the gap between the realised value and the face value of those receipts and this will hold good for only five years.

“The whole idea is to ensure that these assets for which this whole set-up is being created, and the value that is locked in the assets is realised and comes back to the banks; they use it as a growth capital and the banking system becomes more robust.

❖ **Biodiversity****Q- Write a detailed note on the Extinct Shark Species discovered in Rajasthan?**

**BACKGROUND** = Researchers from the Geological Survey of India and the Indian Institute of Technology, Roorkee have discovered a new extinct species of **hybodont shark from the Jaisalmer Basin of Rajasthan** -

1. Hybodonts dominated both marine and freshwater environments during the Triassic and early Jurassic periods.



2. It is speculated that hybodont sharks could have grown about 2-3 metres long. They became extinct about 65 million years ago, probably due to competition from other fishes including sharks. It is interesting to note that dinosaurs also went extinct 65 million years ago. It is not clear if these two extinctions are related
3. Over 30 teeth specimens collected from the region showed that the species lived about 160 and 168 million years ago.





Hybodont shark teeth from Jaisalmer Formation, Jaisalmer, Rajasthan. (pib.gov.in)

4. It was named ***Strophodus jaisalmerensis***, and the discovery is significant as this is the first record of *Strophodus* genus from the Indian subcontinent.
5. The collected specimens are now housed in the Palaeontology Division of Geological Survey of India, Jaipur.

#### **About the fossil specimen -**

- The structure of the teeth was very peculiar. We studied the crown, its ridges, edges and based on the distinctive crushing teeth, it was included in the genus *Strophodus*.
- The team compared the teeth characteristics with other extinct species such as *S. magnus*, *S. smithwardi*, *S. subreticulatus*, *S. reticulatus*, *S. longidens* and finally confirmed that the teeth indeed belonged to a new species.

Jaisalmer is a treasure trove of marine fossils, especially invertebrates. The hybodont fossil-bearing region also had a lot of fossil wood, suggesting a vegetation-rich coastal environment.



**Q- Consider the following statements with reference to UNSC Resolution 1172 recently in news –**

1. It calls upon India and Pakistan immediately to stop their nuclear weapon development programmes.
2. To refrain from weaponisation or from the deployment of nuclear weapons.
3. To cease development of ballistic missiles capable of delivering nuclear weapons and any further production of fissile material for nuclear weapons.
4. To confirm their policies not to export equipment, materials or technology that could contribute to weapons of mass destruction or missiles capable of delivering them and to undertake appropriate commitments in that regard.

**Choose the correct answer using the code below –**

- a. 4 only
- b. 2, 3 and 4
- c. 1 only
- d. All of the above



**Q- Sansad TV vouched as the 'Voice of the House' is a new channel of?**

- a. Lok Sabha
- b. Rajya Sabha
- c. Lok Sabha and Rajya Sabha
- d. Prime Ministerial Office

**Ans – C**

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