

## UPSC CURRENT AFFAIRS NOTES

29-08-2023

### ECHIDNA



Monotremes are egg-laying mammals and echidnas along with the platypus, are the only surviving members of this group. Echidnas are found in Australia and New Guinea and they have several distinctive features and behaviors that make them interesting subjects of study. Often described as a curious blend of hedgehog and anteater, echidnas are even more enigmatic and remarkable than commonly thought.

#### **Ancient Egg-Laying Mammals**

Short-beaked echidnas are among the five surviving monotreme species in the world. Monotremes lay eggs through cloacas and nurture hatchlings in pouch-like skin folds. Echidnas likely evolved from aquatic ancestors, retaining rudimentary electroreception. English name may stem from the mythological figure Echidna, reflecting its mixed traits.

#### **Adaptable Explorers of Diverse Environments**

- Echidnas are found across various climates, from tropical savannahs to snowy mountains.
- Five subspecies of short-beaked echidnas exhibit distinct adaptations in different regions.
- Variations in hairiness and spine characteristics are evident among subspecies.

#### **Mating Behavior and Hibernation Strategies**

- Kangaroo Island echidnas engage in mating trains with multiple males pursuing one female.
- Tasmanian echidnas have unique winter mating habits, allowing pregnancy delay.
- Different subspecies have varying lactation periods and mating-to-egg-laying durations.

#### **Evolutionary Parallels: Marsupials and Monotremes**

Echidna embryos and tamar wallaby embryos reach similar developmental milestones.

Despite evolutionary differences, both groups share a conserved developmental process. Echidnas tie this milestone to egg-laying and pouch incubation, while marsupials complete in-utero development.

### **Taxonomy and Classification**

Echidnas belong to the family Tachyglossidae and the order Monotremata. There are three species of echidnas: the short-beaked echidna (*Tachyglossus aculeatus*), the western long-beaked echidna (*Zaglossus* spp.), and the Sir David's long-beaked echidna (*Zaglossus attenboroughi*).

### **Anatomy and Physical Characteristics**

Echidnas are small to medium-sized mammals covered in spines or coarse hair. They have a distinctive beak-like snout, which contains both nostrils and a tiny mouth. Echidnas lack teeth, but they have a long, sticky tongue used for capturing ants, termites, and other insects, which make up their primary diet.

Their limbs are short and sturdy, each with five clawed toes. These claws are used for digging and capturing prey.

### **Reproduction**

Echidnas are monotremes, which means they lay eggs rather than giving birth to live young. Female echidnas lay a single leathery egg directly into a pouch on their belly. The egg is incubated there until it hatches. After the egg hatches, the mother continues to nurse the young echidna by secreting milk from specialized mammary glands that are released through pores in her skin.

### **Behavior**

Echidnas are solitary creatures and are mostly active during the night. They are excellent diggers and spend a significant portion of their time digging burrows or hiding in crevices to escape predators and regulate body temperature.

Echidnas are known for their unique defensive mechanism: when threatened, they can curl up into a ball, exposing only their spines for protection.

Their diet consists mainly of ants and termites, which they locate using their excellent sense of smell and then capture with their sticky tongue.

### **Habitat and Distribution**

Echidnas are found in a variety of habitats, including forests, grasslands, deserts, and mountains, across Australia and New Guinea. They are adaptable creatures and can live in diverse environments, from arid regions to more temperate zones.

### **Conservation Status**

Echidnas are generally not considered endangered; however, some localized populations may be at risk due to habitat loss, vehicle collisions, and other human-related factors. As with many wildlife species, maintaining their habitats and minimizing human interference is important for their long-term survival.

### **Evolution and Predecessors**

Monotremes are among the most primitive mammals, and they share common evolutionary traits with reptiles and birds. The lineage of monotremes diverged from that of placental mammals (like humans and most mammals) over 200 million years ago.

### **Conclusion**

Echidnas are captivating creatures with a long evolutionary history and remarkable adaptations. Their egg-laying reproductive strategy, spiny defense mechanism, and specialized diet contribute to their uniqueness and significance in the natural world. Studying echidnas provides valuable insights into the diversity of life on Earth and the various ways organisms have evolved to survive and thrive in their environments.

## INDIA AND BANGLADESH ANNUAL DEFENCE DIALOGUE



India and Bangladesh held the fifth Annual Defence Dialogue on 28 August 2023 in Dhaka

- The Annual Defence Dialogue between India and Bangladesh is the highest institutionalized interactive mechanism between both countries.
- In the dialogue, both countries highlighted its significance in chartering the future course of the relations between the two-armed Forces.
- During the meeting, the ongoing defence cooperation activities between the two countries were reviewed and both sides expressed satisfaction at the increasing defence cooperation engagements. The talks covered the existing bilateral exercises and both sides agreed to increase the complexity of these exercises India Bangladesh Defence Relations
- India and Bangladesh have a close and friendly defence relationship that covers diverse areas of cooperation and is guided by the spirit of their shared sacrifices during the Liberation War of Bangladesh.
- Defence cooperation between India and Bangladesh has significantly progressed in the last few years. It is depicted in the exchange of visits between the two countries' leaders and the conduct of training programmes, joint exercises, and humanitarian assistance and disaster relief (HADR).
- Under 'joint training and exercises, the defence services of both countries now participate in joint exercises, medical assistance, and training programmes. SAMPRITI, the joint military exercise operation to counter terrorism, completed its 10th edition at Jashore Military Station on June 16, 2022.
- The exercise allows the contingents from both Armies to understand each other's tactical drills and operational techniques and share their experience in counter-insurgency/ Counter Terrorism, peacekeeping, and Disaster Relief Operations under the United Nations mandate.



- India considers Bangladesh as an eternal strategic ally. India has extended a \$500 million line of credit to Bangladesh for defence imports from India and has gifted 18 new 120mm mortars to the Bangladesh Army in December 2020 under army-to-army cooperation.

## Hindenburg Report Probe & Findings

**The Enforcement Directorate has concluded its preliminary investigation into the Hindenburg Research report.**

Hindenburg Research is a US-based research team that offers services in forensic financial research, with a focus on equity, credit and derivatives analysis. Their fundamental research often includes studying and reporting on companies with accounting irregularities, unethical practices in business/related-party transactions, bad management etc.

Its primary method for investment is said to be short-selling.

Short selling basically involves borrowing an asset now in order to sell it, only to buy it back at a lower price and then return the borrowed asset.

The view taken basically is bearish one.

## Hindenburg's Report on Adani Group:

- Usually, they write reports on western companies such as Nikola, Genius Brands, etc.
- However, on 24th January, 2023 they wrote a report on the Adani Group, claiming that the latter were pulling the "largest con in corporate history".
- They also revealed that they were holding a short position on the Adani stocks, signalling their belief that the shares are overpriced and will dip in value soon.

## Key points in the Hindenburg Research report on Adani Group:

### Overvalued Shares

- The report cites data from FactSet and Hindenburg's own analysis to claim that the Adani shares are highly overvalued by conventional metrics.
- Some of the extreme cases include the P/E Ratio of Adani Enterprises being 42 times the industry average and the Price/Sales ratio of Adani Total Gas being 139.3 times the industry average of 1.0x etc.

### Debt-Fueled Business

- 5 out of the 7 key listed companies mentioned have reported a current ratio of less than 1.
- This means that the total amount of current assets is less than the total amount of current liabilities in those companies.
- This is not a healthy financial practice as this means that the companies are unlikely to have adequate assets to pay off their liabilities in the short run.

## Promoters Pledging their Stocks

- This means that the promoters of the company have taken on additional debt on the basis of the shares that they own.





- As seen above, the share prices are claimed to be already high and so is the debt – therefore, promoters pledging stocks to take on more debt is not a healthy financial practice in such a context.

Doubts regarding the Management team

The report claims that some members of the management have a questionable past which includes allegations of fraud, duty evasions, scams etc.

### **Excess Promoter Control of Shares**

- It has been alleged that in addition to the already high proportion of promoter holding in shares (close to 74% in multiple cases), significant portions of the remaining public shares are also controlled by shell companies that have ties with the Adani group.
- Many of these companies have a large majority of their shares invested solely in firms under the Adani Group.

### **Pumped up Demand –**

- The preceding point also hints at deliberate pumping of the Adani stock prices through excessive buying pressure from companies that seem to be biased towards (or perhaps connected with) the Adani Group itself.
- It is claimed that the delivery volume of Adani stocks may have been high because of possible wash trading.
- Wash trading is the practice of buying/selling of a share by the same or related entities to pump up the trading volume numbers.

### **Inadequate Compliance**

- The report claims that one of the firms hired to book run the Adani Green Energy has had past problems with the SEBI.
- Moreover, one of the independent auditors hired to audit Adani Enterprise and Adani Total gas seems to be too
- It comprises of professionals too young to be able to handle the auditing of such a large array of companies.

### **News Summary:**

- The Enforcement Directorate (ED) has completed its preliminary investigation into the Hindenburg Research report and the subsequent stock market crash.
- The investigation has revealed that around 12 companies, including foreign portfolio investors and foreign institutional investors (FPIs/FIIs) based in tax havens, emerged as the main beneficiaries of short selling in shares of Adani Group companies.
- According to the ED, some of these short sellers allegedly took positions just 2-3 days before the Hindenburg Research report was published on January 24, and some others were taking short positions for the first time ever.
- The conclusion of the ED is that transactions and income tax data throw up the possibility of the FPIs and FIIs not being the “end beneficiaries” of the gains made from short selling, but actually acting as brokers for bigger players located overseas.

## What is Short Selling?

- Short sellers are investors who predict and bet that share prices will decline.
- They borrow shares, sell them, and repurchase them later at a lower price, thus gaining a profit in the process.
- Both domestic investors and FPIs/FIIs registered with SEBI are allowed to participate in trading derivatives, which enable investors to hedge market risks by taking short positions.
- SEBI advocates for regulated short selling, believing that imposing restrictions may distort effective price discovery and potentially provide manipulative power to promoters.

## Article 35A: Gave special rights to permanent residents of J&K while took away fundamental rights of others

Article 35A, which empowered the J&K Legislature to define permanent residents of the State and provide them special privileges, denied fundamental rights to others. This remark was made by the CJI while heading a Constitution Bench, which is currently hearing pleas against the Centre's move to abrogate Article 370. Article 35A gives the J&K Legislature a carte blanche/ complete freedom to decide who all are 'permanent residents' of the State. 'Permanent residents' included people who were hereditary State subjects as in 1927, when J&K was a princely state prior to its accession to the Indian Dominion in 1947.

Article 35A confer on them special rights and privileges in

- Public sector jobs,
- Acquisition of property in the State,
- Scholarships and
- Other public aid and welfare.

It was incorporated into the Constitution of India in 1954 by a Presidential Order, following the 1952 Delhi Agreement [between the then central govt, and the then PM of J&K Sheikh Abdullah]. The Delhi Agreement extended Indian citizenship to the 'State subjects' of J&K. The Presidential Order was issued under Article 370 (1) (d) of the Constitution, allowing the President to make certain "exceptions and modifications" to the Constitution for the benefit of 'State subjects' of J&K.

Article 35A was added to the Constitution as a testimony of the special consideration the Indian government accorded to the 'permanent residents' of J&K.

### Controversies Around Article 35A:

Article 35A is unique in the sense that it does not appear in the main body of the Constitution. It by passed the parliamentary route of lawmaking. Article 368 of the Constitution empowers only Parliament to amend the Constitution. Article 370 was only a 'temporary provision' to help bring normality in J&K and strengthen democracy in that State. The Constitution-makers did not intend Article 370 to be a tool to bring permanent amendments, like Article 35A, in the Constitution. Article 35A was against the "very spirit of oneness of India" as it creates a "class within a class of Indian citizens".

Restricting citizens from other States from getting employment or buying property within J&K is a violation of fundamental rights under Articles 14, 19 and 21 of the Constitution. It

was against gender equality. For example, Article 35A restricts the basic right to property if a native woman marries a man not holding a permanent resident certificate. Her children are denied a permanent resident certificate, thereby considering them illegitimate. Violates judicial review principle. For example, Article 35A mandates that no act of the legislature coming under it can be challenged for violating the Constitution or any other law of the land.

#### **Current Status of Articles 370 and 35A:**

The Constitution (Application to Jammu and Kashmir) Order 2019 withdrew the special status of J&K and extended all provisions of the Indian Constitution (including Part III - Fundamental Rights) to J&K. As Article 35A stems from Article 370, the discriminatory provisions under Article 35A are now unconstitutional.

#### **CJI (D.Y. Chandrachud) on Article 35A:**

- Article 35A gave special rights and privileges to permanent residents and virtually took away the rights for non-residents.
- This artificially created class of 'permanent residents' alienated people who did not fall within the category.
- Article 35A had even granted immunity from judicial review to these special privileges, as any law which provides for these special privileges would not violate fundamental rights like

#### **Articles 14 (right to equality),**

#### **Article 19(1)(e) (right to settle anywhere in the country)**

#### **Article 21 (right to life and personal liberty) and**

#### **Article 22 (protection against preventive detention).**

However, the CJI asked the government whether the Centre had adhered to the principle of federalism while abrogating Article 370 and abolishing J&K as a full-fledged State. Article 3 made it mandatory for the President to consult the State Legislature before altering the status of a State. The abrogation was facilitated by first dissolving the J&K State Legislature and then proclaiming President's Rule under Article 356. The Parliament assumed the role of the J&K State Legislature and gave its views to itself about the alteration of J&K from a State to 2 UTs.

#### **Pradhan Mantri Jan Dhan Yojana (PMJDY) - National Mission for Financial Inclusion, completes nine years of successful implementation**

PMJDY-led interventions and digital transformation have revolutionised financial inclusion in India: Union Finance Minister Smt. Nirmala Sitharaman. PMJDY accounts are fulcrum of people-centric initiatives like DBT and contribute towards inclusive growth of all sections of the society, especially the underprivileged: Union Minister of State for Finance Dr. Bhagwat Kisanrao Karad More than 50 crore beneficiaries banked under PMJDY since inception. Total deposit balances under PMJDY Accounts stand at Rs. 2,03,505 crore. PMJDY accounts grow 3.4 -fold from 14.72 crore in March 2015 to 50.09 crore as on 16-08-2023. Around 56% Jan-Dhan account holders are women and around 67% Jan Dhan accounts in rural and semi-urban areas

33.98 crore RuPay cards issued to PMJDY accountholders

The Pradhan Mantri Jan Dhan Yojana (PMJDY) – the National Mission for Financial Inclusion - completes nine years of successful implementation today.

**The PMJDY was announced by Prime Minister Shri Narendra Modi in his Independence Day address on 15<sup>th</sup> August 2014.** While launching the programme on 28<sup>th</sup> August 2014, the

Prime Minister had described the occasion as a festival to celebrate the liberation of the poor from a vicious cycle.



Being one of the biggest financial inclusion initiatives in the world, the Ministry of Finance continuously endeavours to provide financial inclusiveness and support to the marginalised and economically backward sections through its financial inclusion led interventions. Financial Inclusion (FI) promotes equitable and inclusive growth as well as delivery of financial services at an affordable cost to vulnerable groups such as low-income groups and weaker sections that lack access to basic banking services.

Financial Inclusion also brings savings of the poor into the formal financial system and provides an avenue to remit money to their families in villages besides taking them out of the clutches of the usurious money lenders.

On the 9<sup>th</sup> anniversary of PMJDY, **Union Finance Minister Smt. Nirmala Sitharaman**, in her message said, “The 9 years of PMJDY-led interventions and digital transformation have revolutionised financial inclusion in India. It is heartening to note that more than 50 crore people have been brought into the formal banking system through the opening of Jan Dhan Accounts. Among these accounts, approximately 55.5% belong to women, and 67% have been opened in Rural / Semi-Urban areas. The cumulative deposits in these accounts surpass ₹2 lakh crore. Furthermore, about 34 crore RuPay cards have been issued to these accounts without charge, which also provides for a ₹2 lakh accident insurance cover.”

“With the collaborative efforts of stakeholders, banks, insurance companies, and government officials, the PMJDY stands out as a pivotal initiative, changing the landscape of financial inclusion in the country as envisioned by Hon’ble Prime Minister Shri Narendra Modi,” Smt. Sitharaman said.

**Union Minister of State for Finance Dr. Bhagwat Kisanrao Karad** also expressed his thoughts for PMJDY on this occasion. He said, “PMJDY scheme has reduced financial untouchability by bringing the marginalised sections of the society into the ambit of formal banking. By providing access to banking facilities to vulnerable sections of the society, facilitating access to availability of credit, providing insurance and pension coverage and creating financial awareness, the outcomes of the scheme are far reaching and have a multiplier effect on the economy. Further, Jan Dhan–Aadhaar–Mobile (JAM) architecture has enabled successful transfer of Government benefits in the accounts of common man seamlessly. PMJDY accounts have become fulcrum of people-centric initiatives like DBT and has contributed towards inclusive growth of all sections of the society, especially the underprivileged.”





As we complete 9 years of successful implementation of this Scheme, we take a look at the major aspects and achievements of this Scheme so far.

### Background

Pradhan Mantri Jan Dhan Yojana (PMJDY) is National Mission for Financial Inclusion to ensure access to financial services, namely, Banking/ Savings & Deposit Accounts, Remittance, Credit, Insurance, Pension in an affordable manner.

#### 1. Objectives:

- Ensure access of financial products & services at an affordable cost
- Use of technology to lower cost & widen reach

#### 2. Basic tenets of the scheme

- **Banking the unbanked** - Opening of basic savings bank deposit (BSBD) account with minimal paperwork, relaxed KYC, e-KYC, account opening in camp mode, zero balance & zero charges
- **Securing the unsecured** - Issuance of Indigenous Debit cards for cash withdrawals & payments at merchant locations, with free accident insurance coverage of Rs. 2 lakhs
- **Funding the unfunded** - Other financial products like micro-insurance, overdraft for consumption, micro-pension & micro-credit

#### 2. Initial Features of PMJDY

The scheme was launched based upon the following 6 pillars:

Universal access to banking services – Branch and BC

- Basic savings bank accounts with overdraft facility of Rs. 10,000/- to every eligible adult
- Financial Literacy Programme– Promoting savings, use of ATMs, getting ready for credit, availing insurance and pensions, using basic mobile phones for banking
- Creation of Credit Guarantee Fund – To provide banks some guarantee against defaults
- Insurance – Accident cover up to Rs. 1,00,000 and life cover of Rs. 30,000 on account opened between 15 Aug 2014 to 31 January 2015
- Pension scheme for Unorganized sector

#### 3. Important approach adopted in PMJDY based on experience:

Accounts opened are online accounts in core banking system of banks, in place of earlier method of offline accounts opening with technology lock-in with the vendor

- Inter-operability through RuPay debit card or Aadhaar enabled Payment System (AePS)
- Fixed-point Business Correspondents
- Simplified KYC / e-KYC in place of cumbersome KYC formalities

#### 3. Extension of PMJDY with New features – The Government decided to extend the comprehensive PMJDY programme beyond 28.8.2018 with some modifications

- **Focus shifted from ‘Every Household’ to Every Unbanked Adult’**
- **RuPay Card Insurance** - Free accidental insurance cover on RuPay cards increased from Rs. 1 lakh to Rs. 2 lakhs for PMJDY accounts opened after 28.8.2018.

- **Enhancement in overdraft facilities:** OD limit doubled from Rs 5,000/- to Rs 10,000/- ; OD upto Rs 2,000/- (without conditions) with Increase in upper age limit for OD from 60 to 65 years

4. **Impact of PMJDY**

PMJDY has been the foundation stone for people-centric economic initiatives. Whether it is direct benefit transfers, COVID-19 financial assistance, PM-KISAN, increased wages under MGNREGA, life and health insurance cover, the first step of all these initiatives is to provide every adult with a bank account, which PMJDY has nearly completed.

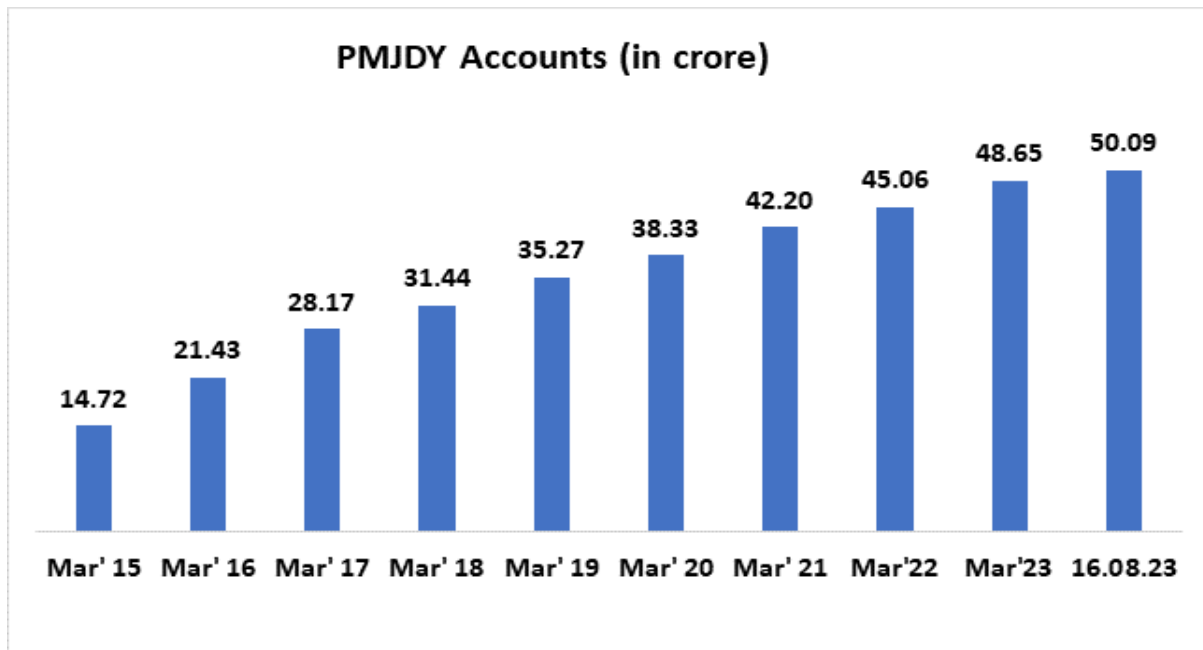
One in 2 accounts opened between March 2014 to March 2020 was a PMJDY account. Within 10 days of nationwide lockdown more than about 20 crore women PMJDY accounts were credited with financial assistance of Rs 500 per month for three months through DBT in each women PMJDY account.

During COVID-19 pandemic, we have witnessed the remarkable swiftness and seamlessness with which Direct Benefit Transfer (DBTs) have empowered and provided financial security to the vulnerable sections of society. An important aspect is that DBTs via PMJDY accounts have ensured every rupee reaches its intended beneficiary and preventing systemic leakage.

PMJDY has brought the unbanked into the banking system, expanded the financial architecture of India and brought financial inclusion to almost every adult.

6. **Achievements under PMJDY- As on 16<sup>th</sup> August'23:**

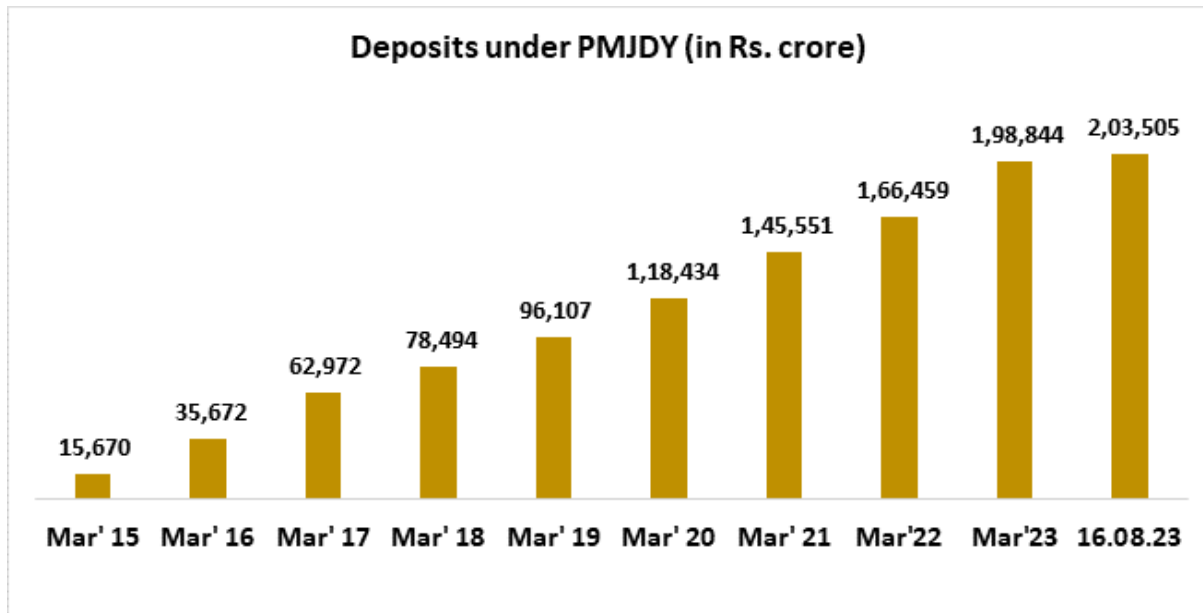
a. **PMJDY Accounts**



As on 9<sup>th</sup> August 23 number of total PMJDY Accounts: 50.09 crore; 55.6% (27.82 crore) Jan-Dhan account holders are women and 66.7% (33.45 crore) Jan Dhan accounts are in rural and semi-urban areas

- During first year of scheme 17.90 crore PMJDY accounts were opened
- Continuous increase in no of accounts under PMJDY

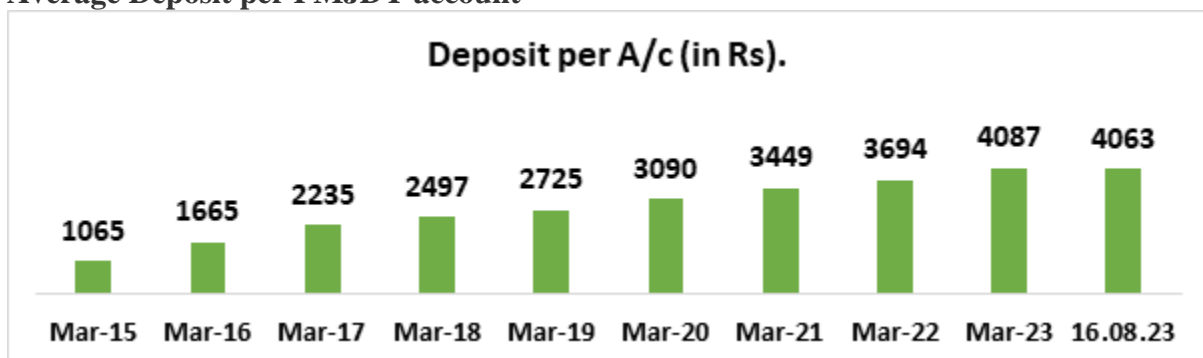
- PMJDY Accounts have grown three-fold (3.4) from 14.72 crore in March 15 to 50.09 crore as on 16-08-2023. Undoubtedly a remarkable journey for the Financial Inclusion Programme.



Total deposit balances under PMJDY Accounts stand at Rs. 2,03,505 crore

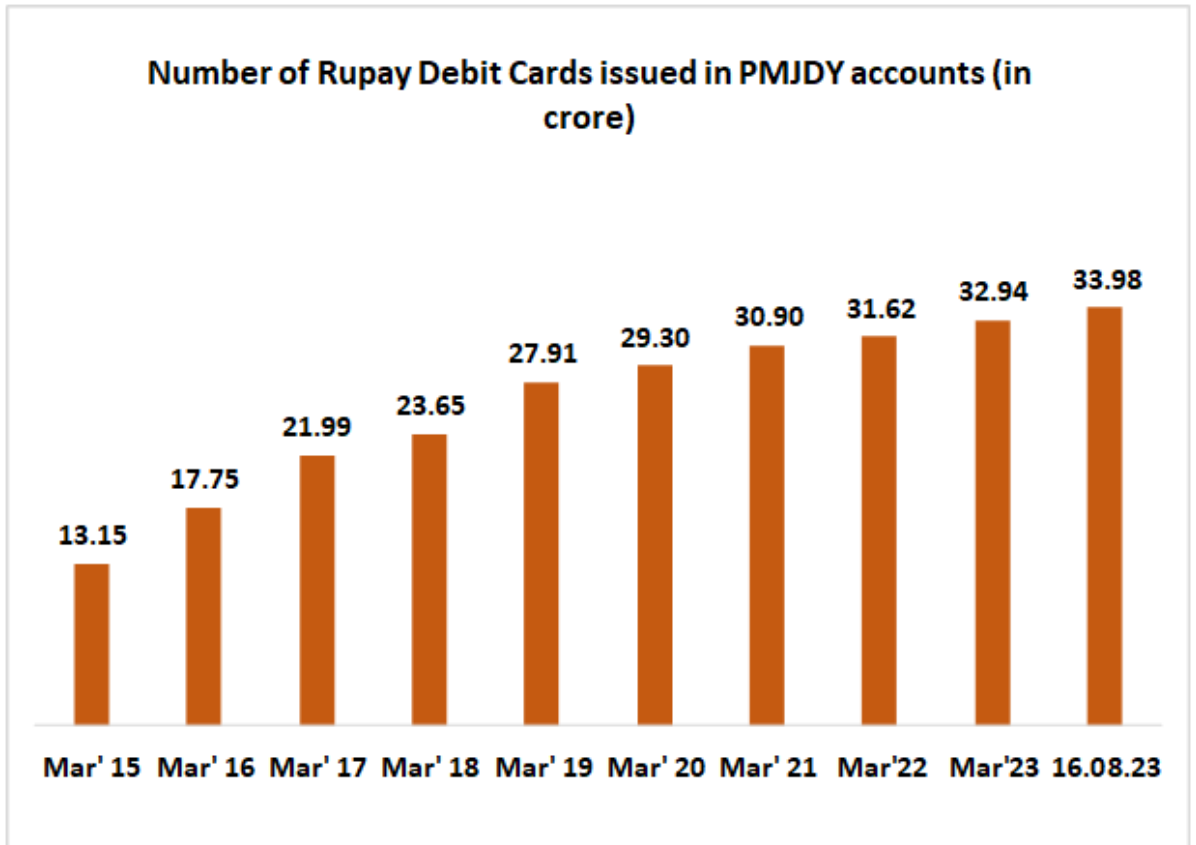
- Deposits have increased about 13 times with increase in accounts 3.34 times (Aug'23 / Aug'15)

**Average Deposit per PMJDY account –**



Average deposit per account is Rs. 4,063 as on 16.08.2023

- Avg. Deposit per account has increased over 3.8 times over August 15
  - Increase in average deposit is another indication of increased usage of accounts and inculcation of saving habit among account holders
- e. **RuPay Card issued to PMJDY account holders**



Total RuPay cards issued to PMJDY accountholders: 33.98 crore

- Number of RuPay cards & their usage has increased over time

#### 7. **Jan Dhan Darshak App (JDD App)**

JDD App is a mobile application which provides a citizen centric platform for locating banking touch points such as bank branches, ATMs, Banking Correspondents (BCs), Indian Post Payment Banks etc. in the country. Over 13 lakh banking touchpoints have been mapped on the JDD App. The facilities under Jan Dhan Darshak App could be availed as per the need and convenience of common people. The web version of this application could be accessed at the link <http://findmybank.gov.in>.

This app is also being used for identification of villages which are yet to covered by banking outlets within 5 km radius. These identified villages are allocated to various banks by concerned SLBCs for opening of banking outlets. The efforts have resulted in a significant decrease in number of uncovered villages.

**A total of 6.01 lakh villages are mapped on the JDD app as of July 2023. Out of these, 5,99,468 (99.7%) of total mapped villages are covered with banking outlets (Bank branch, Banking corner or Indian Post Payment Banks (IPPB) within 5 km radius).**

#### 8. **Towards ensuring smooth DBT transactions**





As informed by banks, about 6.26 crore PMJDY accountholders receive direct benefit transfer (DBT) from the Government under various schemes. To ensure that the eligible beneficiaries receive their DBT in time, the Department takes active role in identification of avoidable reasons for DBT failures in consultation with DBT Mission, NPCI, banks and various other Ministries.

9. **Digital transactions:** With the issue of over 33.98 crore RuPay debit cards under PMJDY, installation of 79.61 lakh PoS/mPoS machines and the introduction of mobile based payment systems like UPI, the total number of digital transactions have gone up from 1,471 crore in FY 17-18 to 11,394 crore in FY 22-23. The total number of UPI financial transactions have increased from 92 crore in FY 2017-18 to 8,371 crore in FY 2022-23. Similarly, total number of RuPay card transactions at PoS & e-commerce have increased from 67 crore in FY 2017-18 to 126 crore in FY 2022-23.

#### **The road ahead**

- Endeavour to ensure coverage of PMJDY account holders under micro insurance schemes. Eligible PMJDY accountholders will be sought to be covered under PMJJBY and PMSBY. Banks have already been communicated about the same.
- Promotion of digital payments including RuPay debit card usage amongst PMJDY accountholders through creation of acceptance infrastructure across India
- Improving access of PMJDY account holders to Micro-credit and micro investment such as flexi-recurring deposit etc.

## **Naya Savera**

Ministry of Minority Affairs implemented 'Naya Savera' scheme ('Free Coaching and Allied' scheme). Aim is to assist students/candidates belonging to the six notified minority communities namely Sikh, Jain, Muslim, Christian, Buddhist and Parsi by way of special coaching for qualifying examinations for admission in technical/professional courses and competitive examinations for recruitment to Group A, 'B', & 'C' services and other equivalent posts under the Central and State Governments including public sector undertakings, banks and railways.