

# THE PALA CIVIL TIMES



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## P2. NATIONAL



**Govt. cuts subsidised LPG cylinders under Ujjwala to 4 from 9** - Rising global energy pressures have led the government rationalise LPG subsidies under PMUY

## P4. INTERNATIONAL



**Why Iran has linked US peace deal more to Lebanon** - Renewed Israel-Iran hostilities have highlighted Lebanon's central role as Iran's key strategic lever

## P8 ECONOMICS



**Current account turns into a surplus in Q4 on jump in remittances, higher foreign direct investments** - India record a current account surplus in Q4 FY26 despite a widening merchandise trade deficit.

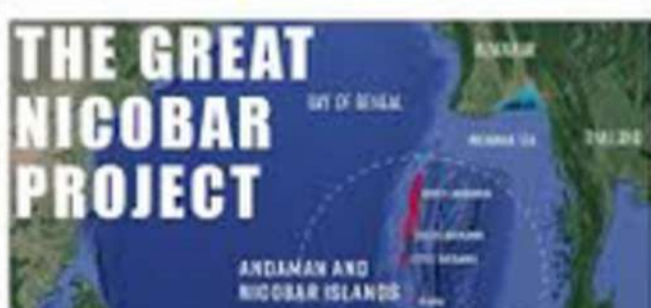
## Editor's Note

Another day brings another set of developments shaping policy, economy, environment, and geopolitics. In today's edition of the Pala Civil Times, we examine the Centre's decision to reduce subsidised LPG refills under PMUY amid rising global energy pressures, while a devastating 7.8-magnitude earthquake in the Philippines once again highlights the significance of the Pacific Ring of Fire. In West Asia, renewed exchanges between Iran and Israel have placed a fragile ceasefire under strain, drawing attention to Lebanon's growing strategic importance in the regional power balance. Our decoded editorials explore concerns over transparency and environmental safeguards in the Great Nicobar project, the Supreme Court's observations on irretrievably broken marriages and divorce law reform, and the implications of India's rising Credit-Deposit ratio for banking stability. On the economic front, India's unexpected current account surplus offers a positive signal, though questions remain about the sustainability of these gains in an uncertain global environment.

## Editorials Decoded

THE HINDU

**Strategic afterthought**



Questions over the strategic rationale of the Great Nicobar Project have reignited the debate between environmental costs national security objectives

The Indian EXPRESS

**In law, need to write a new marriage story**



Emerging rainfall and fertiliser risks are creating opportunities for diversification towards millets, pulses and oilseeds.

BusinessLine

**Mind the gap**



India's Credit-Deposit ratio has risen above the preferred range as bank lending grows faster than deposits.



## Govt. cuts subsidised LPG cylinders under Ujjwala to 4 from 9

Amid rising global LPG prices and supply concerns linked to the ongoing conflict in West Asia, the Central Government has reduced the number of subsidised LPG refills available under the Pradhan Mantri Ujjwala Yojana (PMUY) from nine to four cylinders per year. At the same time, domestic LPG prices have been increased twice since the escalation of the conflict, taking the price of a 14.2-kg cylinder in Delhi to ₹942. The decision reflects growing pressure on India's LPG import bill and concerns regarding energy security.



### PMUY and Its Role

Launched in 2016, the Pradhan Mantri Ujjwala Yojana (PMUY) aims to provide clean cooking fuel to poor households, particularly women, by replacing traditional fuels such as firewood, coal, and cow-dung cakes. The scheme seeks to improve health outcomes, reduce indoor air pollution, and promote women's welfare and environmental sustainability. Over the years, PMUY has expanded through multiple phases, including Ujjwala 2.0, and has provided more than 10 crore LPG connections, with a majority of beneficiaries belonging to rural and economically weaker households.

### Why the Change Was Made

The reduction in subsidised refills is a response to rising uncertainty in global energy markets. Government officials have argued that domestic LPG prices remain significantly lower than prevailing international rates. PMUY beneficiaries additionally receive a targeted subsidy of ₹300 per cylinder, reducing their effective purchase cost. Officials have also pointed out that the average annual consumption among PMUY households is around four to five cylinders, making the revised subsidy limit broadly consistent with current usage patterns.

### India's LPG Consumption Pattern

India's LPG consumption has increased nearly six-fold over the past three decades, reflecting rising incomes, urbanisation, and expanding access to clean cooking fuel. A major boost came after the launch of PMUY in 2016, which accelerated LPG adoption among rural households. Today, India has more than 33 crore LPG consumers, including over 10 crore PMUY beneficiaries. States such as Uttar Pradesh, Bihar, and West Bengal account for a large share of LPG consumers, though average per-household consumption in these largely rural states remains lower than in more urbanised regions.

### Significance and Future Implications

The latest policy change highlights the challenge of balancing welfare objectives, fiscal sustainability, and energy security. While PMUY has significantly expanded access to clean cooking fuel, maintaining large subsidies becomes more difficult during periods of global energy price volatility. The government's approach seeks to preserve targeted support for vulnerable households while containing subsidy expenditure. The episode also underscores India's continued dependence on imported energy and the need for diversified energy sources, efficient subsidy targeting, and resilient supply chains to protect consumers from external shocks.

### PYQ Compass

UPSC questions previously asked from the themes discussed on this page.



**Q. According to India's National Policy on Biofuels, which of the following can be used as raw materials for the production of biofuels? (2020)**

1. Cassava
2. Damaged wheat grains
3. Groundnut seeds
4. Horse gram
5. Rotten potatoes
6. Sugar beet

**Select the correct answer using the code given below:**

- (a) 1, 2, 5 and 6 only
- (b) 1, 3, 4 and 6 only
- (c) 2, 3, 4 and 5 only
- (d) 1, 2, 3, 4, 5 and 6

**Q. Access to affordable, reliable, sustainable and modern energy is the sine qua non to achieve Sustainable Development Goals (SDGs)."** Comment on the progress made in India in this regard. (GS III - 2018)

### RELEVANCE

**GS III : Infrastructure: Energy, Ports, Roads, Airports, Railways etc.**

## Major quake off Philippines kills at least 35, many missing

A 7.8-magnitude earthquake struck off the coast of Mindanao, Philippines, causing casualties, injuries, landslides, and triggering tsunami warnings across parts of the Pacific region. The event highlights the Philippines' vulnerability to seismic hazards due to its location within the Pacific Ring of Fire, one of the world's most active earthquake and volcanic belts. The incident underlines the importance of disaster preparedness, tsunami warning systems, and understanding plate tectonics.

### STATIC CORE LINKAGE

**Earthquake** : Sudden release of energy in the Earth's crust causing seismic waves

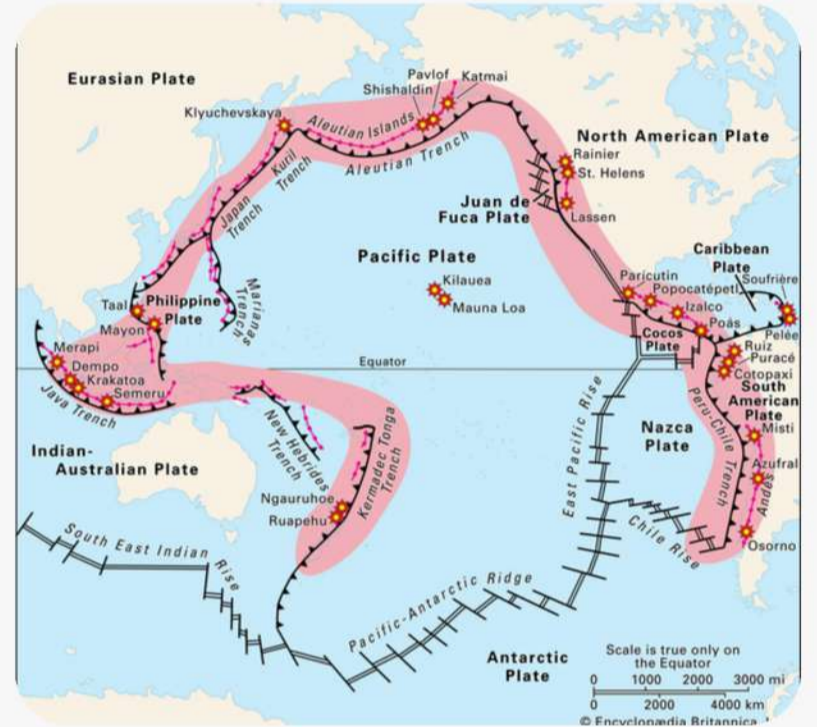
**Focus (Hypocentre)** : Point inside the Earth where rupture begins

**Epicentre** : Point on the Earth's surface directly above the focus

**Magnitude** : Measures energy released (commonly using Moment Magnitude Scale)

Magnitude 7.8 earthquakes are classified as major earthquakes.

Secondary hazards include Tsunamis, Landslides, Ground shaking, and Liquefaction



**Pacific Ring of Fire** : A horseshoe-shaped belt of intense seismic and volcanic activity surrounding the Pacific Ocean.

Key Features ; Length: ~40,000 km.

It accounts for

- Most of the world's earthquakes.
- Majority of the strongest earthquakes.
- Around 75% of the world's active volcanoes.

Characterised by **volcanic arcs, deep ocean trenches and active tectonic plate boundaries.**

**Mindanao**: Second-largest and second-most populous island of the Philippines.

#### PYQ Compass

UPSC questions previously asked from the themes discussed on this page.



Q.) Discuss the geophysical characteristics of Circum-Pacific Zone. (GS I - 2020)

Q.) Explain the formation of thousands of islands in Indonesian and Philippines archipelagos. (GS I - 2014)

### Plate Tectonics and Ring of Fire

**Pacific Plate** : Largest tectonic plate

**Philippine Plate** : Major source of seismic activity in the Philippines

**Nazca Plate** : Associated with Andes volcanism

**Cocos Plate** : Linked to Central American seismicity

**Juan de Fuca Plate** : Active along western North America

**Subduction zones** occur when one oceanic plate sinks beneath another tectonic plate, generating strong earthquakes, volcanic activity, and deep-sea trenches. These zones are responsible for much of the seismic and volcanic activity within the Pacific Ring of Fire.

#### RELEVANCE

**GS I** : Important Geophysical phenomena such as earthquakes, Tsunami, Volcanic activity

## Why Iran has linked US peace deal to Lebanon

Israel and Iran have resumed exchanging strikes, putting the fragile U.S.-brokered ceasefire under severe strain. Iran warned that any further Israeli attacks on Lebanon or on its regional allies would invite a much stronger response, while Israel stated that it would continue operations against Hezbollah in southern Lebanon. Meanwhile, Yemen's Houthi rebels launched missiles towards Israel and announced a ban on Israeli shipping in the Red Sea, raising concerns about renewed disruption to global trade routes.

### Why Lebanon Matters

Lebanon has emerged as a key pressure point in the conflict because of the presence of Hezbollah, Iran's most important regional ally. Although a ceasefire between Israel and Lebanon was reached in April, repeated Israeli operations in southern Lebanon have kept tensions high. Iran has increasingly linked the future of its ceasefire and negotiations with the United States to developments in Lebanon, treating attacks on Hezbollah as attacks on its broader regional interests.

### Broader Strategic Significance

For Iran, Lebanon is not only about protecting Hezbollah but also about gaining leverage in negotiations with the United States. Tehran appears to view Israeli actions in Lebanon as a potential justification for escalating pressure through missile strikes, tighter restrictions around the Strait of Hormuz, or activation of allied groups such as the Houthis. As a result, Lebanon has become a central bargaining tool in the wider U.S.-Iran-Israel confrontation, making its stability critical to any lasting regional settlement. Iran is also using strategic maritime chokepoints such as the Strait of Hormuz, while allied groups like the Houthis threaten Red Sea shipping, turning regional trade routes into an additional source of pressure on the United States and Israel.



#### February 28

The United States and Israel attack Iran. War begins.

#### March 2

Hezbollah enters the war by firing rockets at Israel. Israel retaliates.

#### April 7

A fragile truce in the Iran war is announced, with talks to continue. Israel not included.

#### April 8

Israel bombards Lebanon's capital, Beirut, killing over 300 people in a 10-minute attack.

#### April 14

Lebanon and Israel hold their first direct diplomatic talks in decades in Washington.

#### April 17

A fragile truce is announced between Israel and Lebanon, but Hezbollah plays no part. Fighting resumes from both sides.

#### May 31

Israel's ground invasion of Lebanon makes its deepest incursion in over a quarter-century.

#### June 1

Israeli Prime Minister Benjamin Netanyahu threatens to strike Beirut if Hezbollah attacks don't stop. U.S. President Donald Trump says Israel and Hezbollah agree to calm the fighting.

#### June 2

Israeli drone strikes in Lebanon kill 11 people.

#### June 3

Israel and Lebanon say they agree to renew the fragile ceasefire and create security zones that exclude Hezbollah.

#### June 4

Hezbollah's leader rejects the ceasefire agreement and demands that Israel withdraw from Lebanon.

#### June 5

Iran's paramilitary Revolutionary Guard says "there will be no calm in the region" if Israel doesn't withdraw.

#### June 6

Israeli airstrikes on southern Lebanon kill three members of the Lebanese military.

#### June 7

Hezbollah again fires at Israel. Israel strikes Beirut's southern suburbs. Iran fires at Israel.

#### June 8

Israel launches airstrikes in the early morning targeting central and western Iran in response to Iranian missile fire. Iranian state television reports the sound of explosions being heard in Isfahan, Tabriz and Tehran, without elaborating. AP

#### PYQ Compass

UPSC questions previously asked from the themes discussed on this page.



Q. Consider the following pairs Country Important reason for being in the news recently

1. Chad – Setting up of permanent military base by China
2. Guinea – Suspension of Constitution and Government by military
3. Lebanon – Severe and prolonged economic depression
4. Tunisia – Suspension of Parliament by President.

How many pairs given above are correctly matched?

- a) Only one pair b) Only two pairs c) Only three pairs d) All four Pairs

#### RELEVANCE

GS II : International relations.

## Strategic afterthought (The Hindu : 09-06-2026)

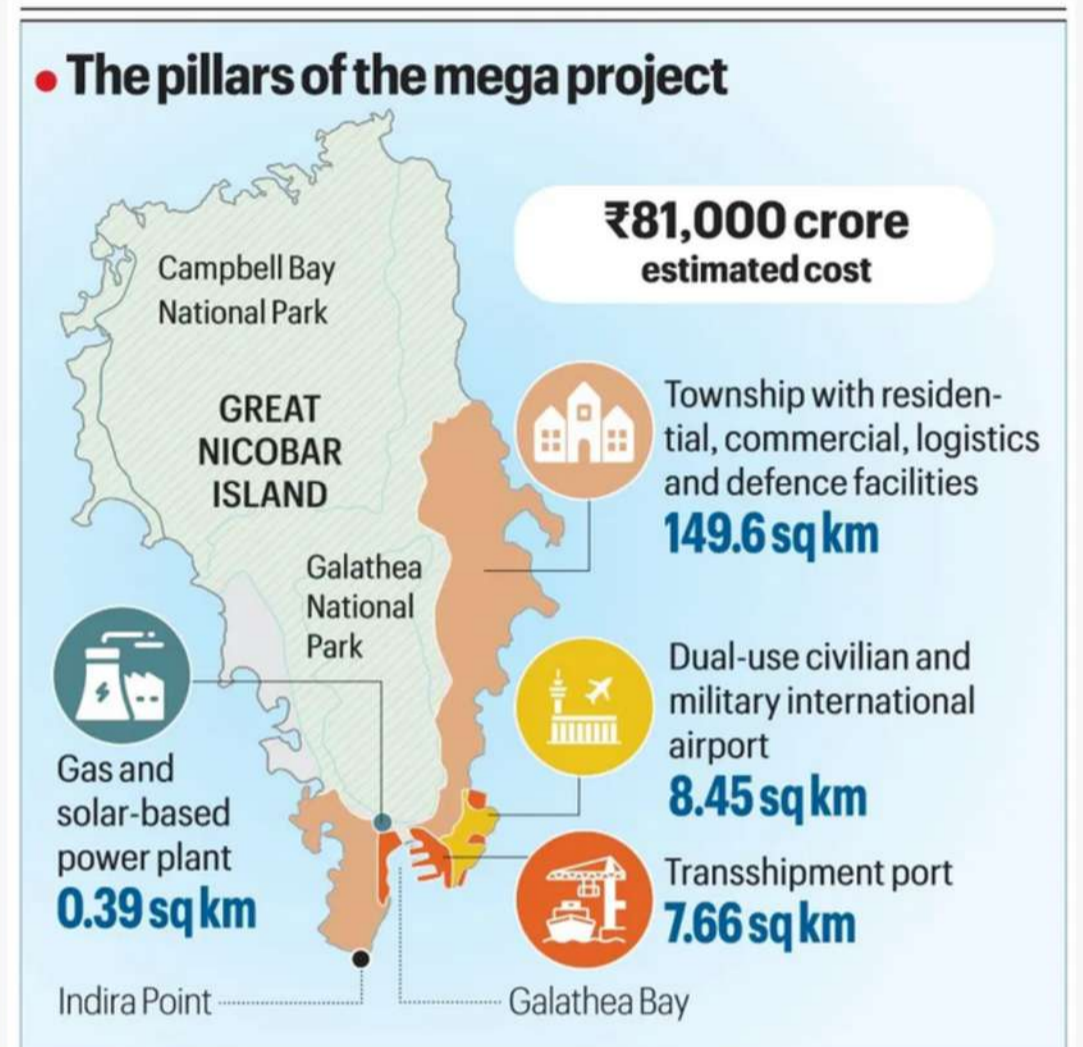
The Great Nicobar Project has become controversial after records revealed that the Public Investment Board (PIB) in 2024 found the proposed International Container Transshipment Port (ICTP) to be lacking clearly defined strategic objectives. However, in 2026, the Ministry of Defence formally designated it a strategic project. Critics argue that the strategic rationale emerged only later, while supporters maintain that the island's location near key Indo-Pacific sea lanes inherently gives the project national security significance.

### Outlook and Policy Challenges Ahead

Centre view Great Nicobar as a rare geopolitical asset located near the Malacca Strait and major international shipping routes. The proposed ICTP aims to reduce India's dependence on foreign transshipment hubs such as Colombo and Singapore, strengthen maritime logistics, improve supply-chain resilience and enhance India's presence in the Indian Ocean Region. The project is also projected to generate trade benefits, attract investment and support India's broader Indo-Pacific and maritime security objectives.

### Environmental, Social & Financial Concerns

The key argument against the project is that its scale could irreversibly damage a fragile ecosystem containing primary forests, nesting sites of leatherback turtles and habitats of endemic species such as the Nicobar megapode. Tribal groups have also raised concerns regarding consultation and land rights. Financial questions have emerged as well, with the PPPAC reportedly declining ₹12,230 crore in Viability Gap Funding, raising doubts about the project's commercial viability and long-term cost to the public exchequer.



### Core Debate and Way Forward

The central issue is whether the project's strategic and economic benefits justify its environmental and social costs. On one side, it is seen as a long-term investment in maritime power, trade competitiveness and national security, while there are questions regarding the transparency of decision-making and the shifting strategic narrative. Going forward, greater public disclosure, transparent environmental assessments and clear articulation of strategic objectives will be essential to ensure that development, security and ecological sustainability are balanced effectively.

### PRACTICE QUESTION

- Q.) The proposed International Container Transshipment Port (ICTP) at Great Nicobar is primarily intended to:
- Increase inland river transport
  - Reduce India's dependence on foreign transshipment hubs
  - Expand offshore oil production
  - Promote deep-sea fishing

### PYQ Compass

UPSC questions previously asked from the themes discussed on this page.



Q. Rehabilitation of human settlements is one of the important environmental impacts which always attracts controversy while planning major projects. Discuss the measures suggested for mitigation of this impact while proposing major developmental projects. (gs iii - 2016)

### RELEVANCE

**GS III : Conservation, environmental pollution and degradation, environmental impact assessment.**

## In law, need to write a new marriage story (Indian Express : 09-06-2026)

The Supreme Court recently observed that compelling a couple who have lived separately for 15 years to continue a legal marriage serves neither the individuals nor society. Emphasising that such prolonged estrangement can amount to cruelty, the Court highlighted the concept of Irretrievable Breakdown of Marriage (IBM), where a marriage has effectively collapsed beyond repair. While existing divorce laws primarily recognise mutual consent and fault-based grounds, IBM is not yet a statutory ground for divorce in India.

### Need for Reform

The Court noted that prolonged matrimonial disputes can impose severe emotional, mental and financial burdens on both parties. Through its powers under **Article 142**, the Supreme Court has occasionally dissolved marriages on the ground of irretrievable breakdown to achieve complete justice. The judgment revives the debate on formally incorporating IBM into divorce laws, recognising that preserving a marriage only on paper may prolong suffering rather than protect the institution of marriage.

### Challenges and the Way Forward

The judgment also underscores the need for legislative reform, a recommendation previously made by the Law Commission. However, any such reform must balance easier exit from failed marriages with adequate safeguards for vulnerable spouses, particularly women. Issues relating to maintenance, property rights, child custody and residence rights must remain central to the reform process. The challenge is to create a legal framework that recognises marital realities while ensuring fairness and social justice.



### STATIC CORE LINKAGE

**Article 142** : Empowers the Supreme Court to pass orders necessary for "complete justice" in any pending matter.

- Extraordinary constitutional power available only to the Supreme Court.
- Frequently invoked in exceptional cases where existing statutory provisions are inadequate.
- Used by the Court to grant divorce on the ground of Irretrievable Breakdown of Marriage despite the absence of a statutory provision.

**Hindu Marriage Act, 1955** : Governs marriage and divorce among Hindus, Buddhists, Jains and Sikhs.

- It provides for conditions of a valid marriage, restitution of conjugal rights, Judicial separation, Divorce and related remedies.
- Recognises grounds such as cruelty, desertion, conversion, mental disorder and mutual consent.
- **Does not currently recognise Irretrievable Breakdown of Marriage as an independent ground for divorce.**

**Law Commission Recommendation on IBM**

**71st Law Commission Report (1978)**: First major recommendation to include IBM as a ground for divorce.

**217th Law Commission Report (2009)**: Reiterated the need for statutory recognition of IBM. This report recommended amendments to the Hindu Marriage Act, 1955 and the Special Marriage Act, 1954.

Suggested that courts ensure adequate financial arrangements, Protection of spouses' rights, and Welfare of children before granting divorce on IBM grounds.

### PYQ Compass

UPSC questions previously asked from the themes discussed on this page.



Q.) How does Indian society maintain continuity in traditional social values? Enumerate the changes taking place in it. (GS I - 2021)

Q.) Customs and traditions suppress reason leading to obscurantism. Do you agree? (GS I - 2020)

Q.) The spirit of tolerance and love is not only an interesting feature of Indian society from very early times, but it is also playing an important part at the present. Elaborate. (GS I - 2017)

### RELEVANCE

**GS I : Salient features of Indian Society, Diversity of India.**

## Mind the gap (TH BusinessLine : 09-06-2026)

India's Credit-Deposit (C-D) ratio has risen to 81.4% by March 2026, moving above the commonly recommended range of 65–80%. The increase is mainly due to bank lending growing faster than deposits, reflecting strong credit demand across the economy. As banks compete more aggressively to attract deposits and fund this lending, the RBI has proposed new transparency norms for deposit interest rates, emphasizing that competition for deposits is welcome but must remain fair and transparent.

### What is the C-D Ratio and Why is it Important?

The **Credit-Deposit ratio** measures the *share of a bank's deposits that has been lent out as credit*. It is calculated by dividing total loans by total deposits. The ratio is an important indicator of a bank's liquidity, lending behaviour, and financial health, and shows how effectively deposits are being used to support economic activity.

### What Does the C-D Ratio Indicate?

A high C-D ratio indicates strong lending activity and credit demand, but may also signal liquidity pressures if deposits do not keep pace. A low C-D ratio suggests cautious lending, weaker credit demand, or excess deposits. A balanced C-D ratio reflects efficient use of deposits while maintaining sufficient liquidity to meet withdrawal needs and support financial stability. In the current scenario, banks are also facing higher funding costs, as around 85% of deposits are time deposits (fixed deposits) and only 15% are low-cost demand deposits, intensifying competition for deposits.



### Current Reality and Future Implications

The recent rise in the C-D ratio is driven by robust growth in loans, particularly to MSMEs and retail borrowers, while deposit growth has been relatively slower. Although banks currently maintain adequate liquidity buffers, a persistently high C-D ratio could increase reliance on short-term borrowings and create asset-liability mismatches. Regulators are therefore monitoring lending and deposit mobilisation practices to ensure long-term financial stability.

### PRACTICE QUESTION

Q. Consider the following statements regarding the Credit-Deposit (C-D) Ratio:

1. The Credit-Deposit ratio measures the proportion of a bank's deposits that has been disbursed as loans.
2. A rising C-D ratio generally indicates that credit growth is outpacing deposit growth.
3. A very high C-D ratio may create liquidity pressures if banks struggle to mobilise sufficient deposits.
4. India's C-D ratio stood at about 81.4% in March 2026, above the commonly recommended range of 65–80%.

Which of the statements given above are correct?

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

### PYQ Compass

UPSC questions previously asked from the themes discussed on this page.



Q.) Consider the following statements:  
 (2022)

1. In India, credit rating agencies are regulated by the Reserve Bank of India.
2. The rating agency popularly known as ICRA is a public limited company.
3. Brickwork Ratings is an Indian credit rating agency.

Which of the statements given above are correct?

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

### RELEVANCE

GS III : Indian Economy

## Current account turns into a surplus in Q4 on jump in remittances, higher foreign direct investments

India's current account recorded a surplus of 0.7% of GDP (\$7.1 billion) in the fourth quarter of FY26, reversing a deficit of 1.3% in the previous quarter. A current account surplus occurs when a country receives more foreign exchange from trade, services, investments, and transfers than it spends abroad. However, the surplus was lower than the 1.4% surplus recorded in the corresponding quarter of the previous year.

### Why it happened

The surplus was mainly driven by a **sharp increase in remittances from Indians working overseas**, which rose to \$43.5 billion during the quarter. Economists noted that uncertainty arising from the West Asia crisis may have encouraged precautionary transfers of funds. Net FDI inflows also improved significantly, while higher earnings from services exports and lower investment-income outflows helped offset the widening merchandise trade deficit.

### Future outlook

Looking ahead, economists expect measures by the government and the RBI to attract more foreign capital and support the capital account. These inflows are likely to help maintain a broadly stable balance of payments even if the current account moves back into deficit. However, sustained stability will depend on stronger FDI inflows and developments in global factors such as crude oil prices and overseas remittance flows.

## STATIC CORE LINKAGE

**Balance of payment (BoP)** : It is the record of all economic transactions between the residents of a country and the rest of the world during a specific period, usually a year or a quarter. It is made up of a country's capital account and current account.

**Current Account** - It is the difference between a country's savings and investments. It deals with net income and short-term transactions, affecting trade and economic indicators.

**Capital Account** : It records the net change of assets and liabilities during a certain period of time. It reflects long-term capital sources and utilization, and influences a nation's foreign assets and liabilities.

**\*RBI-Centre Capital Inflow Package:** In June 2026, the Central Government and the RBI announced a coordinated package to attract foreign capital and strengthen India's external sector. The measures include tax cuts for foreign investors and easier rules for bond investments, NRI deposits, and overseas borrowings to support the Balance of Payments. Key steps include the removal of capital gains and withholding taxes on foreign investment in government securities, expansion of the Fully Accessible Route (FAR), relaxation of investment restrictions, incentives for FCNR(B) and other NRI deposits, and easier access to External Commercial Borrowings (ECBs).

### PYQ Compass

UPSC questions previously asked from the themes discussed on this page.



Q. The balance of payments of a country is a systematic record of: (2013)

- all import and transactions of a during a given period normally a year
- goods exported from a country during a year
- economic transaction between the government of one country to another
- capital movements from one country to another

### RELEVANCE :

GS III : Indian Economy

## PRACTICE QUESTION

Q.) Consider the following statements regarding India's Current Account in Q4 of FY26:

- India recorded a current account surplus in the fourth quarter of FY26 after registering a deficit in the previous quarter.
- A sharp rise in remittances from Indians employed overseas was a major factor behind the surplus.
- Net FDI inflows improved in Q4 FY26 compared to the previous quarter.
- The merchandise trade deficit narrowed significantly and was the primary reason for the current account surplus.

Which of the statements given above are correct?

- 1 and 2 only
- 1, 2 and 3 only
- 2, 3 and 4 only
- 1, 2, 3 and 4

## Practice Questions and answers

Q. Consider the following statements regarding India's Current Account in Q4 of FY26:

1. India recorded a current account surplus in the fourth quarter of FY26 after registering a deficit in the previous quarter.
2. A sharp rise in remittances from Indians employed overseas was a major factor behind the surplus.
3. Net FDI inflows improved in Q4 FY26 compared to the previous quarter.
4. The merchandise trade deficit narrowed significantly and was the primary reason for the current account surplus.

Which of the statements given above are correct?

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

Answer: (b) 1, 2 and 3 only

- **Statement 1 is correct:** India moved from a current account deficit in Q3 FY26 to a surplus in Q4 FY26.
- **Statement 2 is correct:** Higher remittances from Indians working abroad were the key driver of the surplus.
- **Statement 3 is correct:** Net FDI inflows turned positive and increased substantially compared to the previous quarter.
- **Statement 4 is incorrect:** The merchandise trade deficit actually widened; the surplus was achieved due to strong remittances, higher net services receipts, and improved FDI inflows.

Q. Consider the following statements regarding the Credit-Deposit (C-D) Ratio:

1. The Credit-Deposit ratio measures the proportion of a bank's deposits that has been disbursed as loans.
2. A rising C-D ratio generally indicates that credit growth is outpacing deposit growth.
3. A very high C-D ratio may create liquidity pressures if banks struggle to mobilise sufficient deposits.
4. India's C-D ratio stood at about 81.4% in March 2026, above the commonly recommended range of 65–80%.

Which of the statements given above are correct?

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

Answer: (d) 1, 2, 3 and 4

**Statement 1 is correct.**  $C-D \text{ Ratio} = \frac{\text{Total Loans}}{\text{Total Deposits}} \times 100$ .

**Statement 2 is correct.** A rising ratio usually means lending is growing faster than deposits.

**Statement 3 is correct.** Excessively high ratios can create liquidity stress and increase dependence on borrowings.

**Statement 4 is correct.** India's C-D ratio reached about 81.4% by March 2026.

Q. The proposed International Container Transshipment Port (ICTP) at Great Nicobar is primarily intended to:

- A. Increase inland river transport
- B. Reduce India's dependence on foreign transshipment hubs
- C. Expand offshore oil production
- D. Promote deep-sea fishing

Answer: B