

UPSC Daily Current Affairs 30 Jul 2021

World Heritage List added in 2021

(Topic- GS Paper I–Art and Culture, Source- Hindustan Times)

Why in the news?

- Recently, the United Nations Educational, Scientific and Cultural Organization (UNESCO) has inscribed 33 new cultural and natural sites to its World Heritage List so far at the **44th session of the World Heritage Committee of UNESCO**.
- In 2021, the committee inscribed 33 properties on the coveted list which includes 28 cultural and 5 natural sites.

The list of the newest World Heritage Sites:

- Arslantepe Mound (Turkey)
- Chankillo Archaeoastronomical Complex (Peru):
- Colonies of Benevolence (Belgium/Netherlands)
- The Great Spa Towns of Europe (Austria, Belgium, Czechia, France, Germany, Italy, United Kingdom of Great Britain and Northern Ireland)
- Cordouan Lighthouse (France)
- Nice, Winter Resort Town of the Riviera (France)
- Dholavira: a Harappan City (India)
- Kakatiya Rudreshwara (Ramappa) Temple, Telangana (India)
- Mathildenhöhe Darmstadt (Germany)
- ShUM Sites of Speyer, Worms and Mainz (Germany)
- Frontiers of the Roman Empire -- The Lower German Limes (Germany/the Netherlands)
- Padua's fourteenth-century fresco cycles (Italy)
- The Porticoes of Bologna (Italy)
- Paseo del Prado and Buen Retiro, a landscape of Arts and Sciences (Spain)
- Quanzhou: Emporium of the World in Song-Yuan China (China)
- Roşia Montană Mining Landscape (Romania)

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- Sítio Roberto Burle Marx (Brazil)
- The work of engineer Eladio Dieste: Church of Atlántida (Uruguay)
- Trans-Iranian Railway (Iran)
- Cultural Landscape of Hawraman/Uramanat (Iran)
- Ḥimā Cultural Area (Saudi Arabia)
- Amami-Oshima Island, Tokunoshima Island, Northern part of Okinawa Island, and Iriomote Island (Japan)
- Jomon Prehistoric Sites in Northern Japan (Japan)
- Colchic Rainforests and Wetlands (Georgia)
- Getbol, Korean Tidal Flats (South Korea)
- Kaeng Krachan Forest Complex (Thailand)
- As-Salt - The Place of Tolerance and Urban Hospitality (Jordan)
- Settlement and Artificial Mummification of the Chinchorro Culture in the Arica and Parinacota Region (Chile)
- Sudanese style mosques in northern Côte d'Ivoire (Côte d'Ivoire)
- The works of Jože Plečnik in Ljubljana - Human-Centred Urban Design (Slovenia)
- The Slate Landscape of Northwest Wales (United Kingdom)
- Petroglyphs of Lake Onega and the White Sea (Russia)
- Ivindo National Park (Gabon)

Cloudbursts

(Topic- GS Paper I–Geography, Source- Indian Express)

Why in the news?

- Recently, at least seven people were killed, 17 injured and over 35 missing after a cloudburst hit a remote village of Jammu and Kashmir.
- A 2017 study of cloudbursts in the Indian Himalayas noted that most of the events occurred in July and August.

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About Cloudburst

- Cloudbursts are short-duration, intense rainfall events over a small area.
- According to the India Meteorological Department (IMD), it is a weather phenomenon with unexpected precipitation exceeding 100mm/h over a geographical region of approximately 20-30 square km.

Factors behind the cloudburst

- A study published last year studied the meteorological factors behind the cloudburst over the Kedarnath region.
- They analysed atmospheric pressure, atmospheric temperature, rainfall, cloud water content, cloud fraction, cloud particle radius, cloud mixing ratio, total cloud cover, wind speed, wind direction, and relative humidity during the cloudburst, before as well as after the cloudburst.
- The results showed that during the cloudburst, the relative humidity and cloud cover was at the maximum level with low temperature and slow winds.
- “It is expected that because of this situation a high amount of clouds may get condensed at a very rapid rate and result in a cloudburst.

Impact of climate change on Cloudburst

- Several studies have shown that climate change will increase the frequency and intensity of cloudbursts in many cities across the globe.
- In May, the World Meteorological Organization noted that there is about a 40% chance of the annual average global temperature temporarily reaching 1.5°C above the pre-industrial level in at least one of the next five years.
- It added that there is a 90% likelihood of at least one year between 2021 and 2025 becoming the warmest on record and dislodge 2016 from the top rank.

Gold ore reserves

(Topic- GS Paper I–Geography, Source- the Hindu)

Why in the news?

- According to National Mineral Inventory data, India has 501.83 million tonnes of gold ore reserves as of April 1, 2015.
- **Out of these, 17.22 million 3ones were placed under reserves category and the rest under the remaining resources category.**

Key findings

- The largest reserves of gold ores are located in Bihar (44 per cent), followed by Rajasthan (25 per cent), Karnataka (21 per cent), West Bengal (3 per cent), Andhra Pradesh (3 per cent), Jharkhand (2 per cent).

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- The remaining 2 per cent reserves are in Chhattisgarh, Madhya Pradesh, Kerala, Maharashtra and Tamil Nadu.

Institute Involved

- The Geological Survey of India (GSI) is actively engaged in geological mapping, followed by mineral exploration and surveys, of various mineral commodities to identify potential mineral rich zones and establish resources.
- Every year, according to the approved annual Field Season Program, GSI takes up mineral exploration projects in various parts of the country for augmenting mineral resources.

Recent Development

- The Government of India recently amended the Minerals Evidence of Mineral Contents Rules to allow auction of composite licence at G4 level for deep-seated minerals, including gold.

Significance

- It will help to bring more participation from private players with advanced technology in the field of exploration and mining of deep-seated minerals, which is expected to reduce the cost of extraction of gold.

Related Information

About World Gold Council

- It is the market development organisation for the gold industry.

Objectives

- To stimulate and sustain demand for gold, provide industry leadership, and be the global authority on the gold market.
- It helps to support its members to mine in a responsible way and developed the Conflict-Free Gold Standard.

Headquarter

- It's headquartered in the United Kingdom.

Secured Logistics Document Exchange Platform

(Topic- GS Paper III–Economics, Source- the Hindu)

Why in the news?

- The government has recently launched a secured logistics document exchange platform for the digital exchange of logistics-related papers and a calculator for greenhouse gas emissions for choosing the sustainable and right mode of transport for freight movements.

About the Secured Logistics Document Exchange Platform

- The platform is a solution to replace the present manual process of generation, exchange and compliance of logistics documents with a digitized, secure and seamless document exchange system.
- The platform will enable the generation, storage and interchange of logistics-related documents digitally using Aadhaar and blockchain-based security protocols for data security and authentication.
- It will also provide a complete audit trail of document transfer, faster execution of the transaction, lower cost of shipping and overall carbon footprint, easy verification of the authenticity of documents, lowered risk of fraud.

About Calculator for greenhouse gas emissions

- The calculator is an efficient and user-friendly tool that provides for calculating and comparing GHG (Green House Gas) emissions across different modes.
- It allows for a commodity-wise comparison of GHG emissions and the total cost of transportation, including their environmental cost, between movement by road and rail.

Innovations for Defence Excellence (iDEX)

(Topic- GS Paper III–Defense, Source- the Hindu)

Why in the news?

- Recently, the Department of Defence Production, Ministry of Defence has approved the Innovations for Defence Excellence (iDEX).

About Innovations for Defence Excellence (iDEX)

- It is a central sector scheme.
- The scheme has budgetary support: Rs. 498.80 crore for the next 5 years from 2021-22 to 2025-26.

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- It is funded and managed by a Defence Innovation Organisation (DIO), formed as a not for profit company as per Section 8 of the Companies Act 2013.

Aims and objectives

- To promote innovation and indigenisation in the aerospace and defence sector at the start-up level.
- To provide financial support to start-ups, Micro, Small and Medium Enterprises (MSME), individual innovators and partner incubators.

Cabinet Approves Bank Deposit Insurance Payout within 90 Days

(Topic- GS Paper III–Economics, Source- Indian Express)

Why in the news?

- The Union Cabinet has recently approved an amendment to the Deposit Insurance Credit Guarantee Corporation or DICGC Act to provide account holders access to up to Rs 5 lakh funds within 90 days of a bank coming under moratorium to ensure timely support to depositors.
- Each depositor's bank deposit is insured up to Rs 5 lakh in each bank for both principal and interest.

Key highlights

Key decisions for depositors, businesses



Govt improves protection for customers of stressed banks, cuts some corporate penalties

Cleared Deposit Insurance and Credit Guarantee Corporation Bill

- Under this, depositors of banks under moratorium will be able to access up to ₹5 lakh — which is part of the deposit insurance — within 90 days of the freezing
- Bill to be introduced in monsoon session of Parliament

Currently, it takes 8-10 years for depositors (to get their insured money and claims)... now, what we're saying is, even if there is a moratorium on a bank... even at that time this measure will set in."

— **Nirmala Sitharaman,**
Finance minister



WHAT IS THE DEPOSIT GUARANTEE SCHEME?

In case a bank's assets are frozen, such as in the case of PMC bank in 2019, depositors will get access to their funds of up to ₹5 lakh

Approved amendments to Limited Liability Partnership (LLP) Act

WHAT WILL CHANGE?

1 Twelve offences to be decriminalised, including removing criminal action for failure to comply with Act

230,000 firms in the country will benefit from this move

2 Definition of small LLPs to be revised: This will help include more number of firms under the category

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Expedited Liquidation

- Earlier, account holders had to wait for years till the liquidation or restructuring of a distressed lender to get their deposits that are insured against default.

Increasing Deposit Insurance Premium

- The government has also permitted raising the deposit insurance premium by 20 per cent immediately and maximum by 50 per cent.
- The premium is paid by banks to the DICGC.
- Banks currently pay a minimum of 10 paise on every Rs 100 worth of deposits to the DICGC as a premium for the insurance cover, which is now being raised to a minimum of 12 paise.

Deposit Value Coverage

- The Rs 5-lakh deposit insurance cover, which was last year raised from Rs 1 lakh, will address 98.3 per cent of all deposit accounts by number, and 50.9 per cent of deposits by value.
- The deposit insurance coverage is only 80 per cent globally and it covers only 20-30 per cent of the deposit value.

Prospective Law

- The proposed law is prospective, and not retrospective, but it will cover banks already under moratorium and those that could come under moratorium.
- Within the first 45 days of the bank being put under a moratorium, the DICGC would collect all information relating to deposit accounts.
- In the next 45 days, it will review the information and repay depositors within a maximum of 90 days.

About Deposit Insurance and Credit Guarantee Corporation

- It was established in 1978 after the merger of Deposit Insurance Corporation (DIC) and Credit Guarantee Corporation of India Ltd. (CGCI) after the passing of the Deposit Insurance and Credit Guarantee Corporation Act, 1961 by the Parliament.
- **It is a wholly-owned arm of the Reserve Bank of India (RBI), which offers deposit insurance.**
- It insured deposit accounts, such as savings, current, recurring, and fixed deposits up to a limit of Rs 5 lakh per account holder of a bank.
- If a customer's deposit amount crosses Rs 5 lakh in a single bank, only up to Rs 5 lakh, including the principal and interest, will be paid by the DICGC if the bank turns bankrupt.

Banks covered by Deposit Insurance Scheme

- All commercial banks including the branches of foreign banks functioning in India, Local Area Banks and Regional Rural Banks.

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- **Co-operative Banks** - All eligible co-operative banks as defined in Section 2(gg) of the DICGC Act are covered by the Deposit Insurance Scheme.
- At present all Co-operative banks are covered by the Scheme.
- **The Union Territories of Lakshadweep and Dadra and Nagar Haveli do not have Co-operative Banks.**

Types of Deposits Covered

DICGC insures all bank deposits, such as saving, fixed, current, recurring, etc. except the following types of deposits.

- Deposits of foreign Governments;
- Deposits of Central/State Governments;
- Inter-bank deposits
- Deposits of the State Land Development Banks with the State co-operative banks;
- Any amount due on account of and deposit received outside India
- Any amount which has been specifically exempted by the corporation with the previous approval of the RBI.

Funds

- The Corporation maintains the following funds :
 - a. Deposit Insurance Fund
 - b. Credit Guarantee Fund
 - c. General Fund
- The first two are funded respectively by the insurance premia and guarantee fees received and are utilised for settlement of the respective claims.
- The General Fund is utilised for meeting the establishment and administrative expenses of the Corporation.

Pre-packaged Insolvency Resolution Process (PIRP)

(Topic- GS Paper III–Economics, Source- Indian Express)

Why in the news?

- The Insolvency and Bankruptcy Code (Amendment) Bill, 2021, passed by Lok Sabha has proposed 'pre-packs' as an insolvency resolution mechanism for Micro, Small and Medium Enterprises (MSMEs).
- The Bill will replace The Insolvency and Bankruptcy Code (Amendment) Ordinance, 2021, which was promulgated on April 4 2021.

What are 'pre-packs'?

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- A pre-pack envisages the resolution of the debt of a distressed company through a direct agreement between secured creditors and the existing owners or outside investors, instead of a public bidding process.
- This system of insolvency proceedings has become an increasingly popular mechanism for insolvency resolution in the United Kingdom and Europe over the past decade.
- Under the pre-pack system, financial creditors will agree to terms with the promoters or a potential investor and seek approval of the resolution plan from the National Company Law Tribunal (NCLT).
- The approval of at least 66 per cent of financial creditors that are unrelated to the corporate debtor would be required before a resolution plan is submitted to the NCLT.
- The NCLTs will be required to either accept or reject an application for a pre-pack insolvency proceeding before considering a petition for a CIRP.

Pre-packs better than CIRP

- One of the key criticisms of the CIRP has been the time it takes for resolution.
- At the end of March 2021, 79 per cent of the 1,723 ongoing insolvency resolution proceedings had crossed the 270-day threshold.
- A major reason for the delays is the prolonged litigation by erstwhile promoters and potential bidders.
- The pre-pack in contrast is limited to a maximum of 120 days with only 90 days available to stakeholders to bring a resolution plan for approval before the NCLT.
- Another key difference between pre-packs and CIRP is that the existing management retains control in the case of pre-packs whereas, in the case of CIRP, a resolution professional takes control of the debtor as a representative of financial creditors.
- **This will ensure minimal disruption of operations relative to a CIRP.**