State Level Bankers Committee

❖ Context

➢ **IRDAI** has proposed that insurance companies should become members of the state level bankers committee to boost the growth of the sector.

❖ Key Highlights

- The committee is part of the fora established under the **Lead bank scheme** which was introduced in **1969**.
- The scheme was recommended by **Prof.D.R.Gadgil** study group and endorsed by the **Nariman committee**.
- The scheme aimed at coordinating the activities of banks and other development agencies at various levels to enhance the flow of finance to the priority sector and ensure rural development.
- The institutional mechanism that has been set up is as follows.

At State Level	State Level Bankers' Committee (SLBC).
At Block Level	Block Level Bankers' Committee (BLBC).
At District Level	District Consultative Committee (DCC) & District Level Review Committee (DLRC).

❖ About SLBC

- The State Level Bankers' Committee (SLBC) was constituted in **April 197**7, as an **apex inter-institutional forum** to create adequate coordination machinery in all states, on a uniform basis for development of the state.
- SLBC is **chaired by the Chairman/ Managing Director/ Executive Director of the Convenor Bank**.
- It comprises representatives of : Commercial banks including Small Finance Banks, Wholly Owned Subsidiaries (WOS) of Foreign Banks, RRBs, Payments Banks.
  - State Cooperative Banks, RBI, NABARD.
  - Heads of Government departments.
  - Representatives from National Commission for Scheduled Castes/Tribes, National Horticulture Board, Khadi & Village Industries Commission etc.
  - Representatives of financial institutions operating in the state.
- Representatives of industry bodies, retail traders, exporters, farmers' unions, etc. are special invitees.

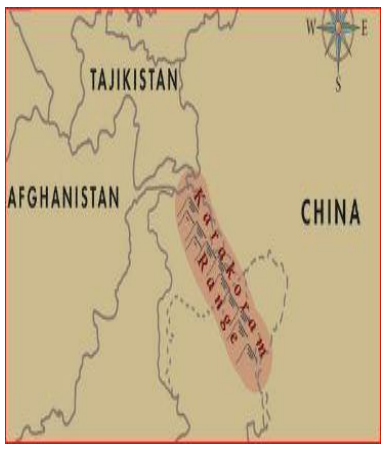
The Curious Case of Himalayan Glaciers

❖ Context

➢ Researchers have taken a significant leap toward solving the mystery of why few pockets of glaciers in the Karakoram Range are resisting glacial melt due to global warming.

❖ Key Highlights

- Himalayan glaciers are of paramount importance in the Indian context, especially for the millions of dwellers living downstream who rely on these perennial rivers for their day-to-day water needs.
- They are fast receding under the impacts of global warming, and stifling stress on the water resources is inevitable in the coming decades.



- In contrast, the glaciers of central Karakoram have surprisingly remained unchanged or slightly increased in the last few decades.
- The behaviour seems to be confined to a very small region, with only Kunlun ranges being another example of showing similar trends in the whole of Himalaya.

❖ What is the Study?

- The recent revival of **western disturbance** (WD) has been instrumental in triggering and sustaining the Karakoram Anomaly since the advent of the 21st century.
- It is for the first time that a study brought forth the importance that enhanced WD-precipitation input during the accumulation period plays in modulating regional climatic anomaly.
- WDs are the primary feeder of snowfall for the region during winters.
- The precipitation intensity of WDs impacting Karakoram has increased by around 10% in last two decades, which only enhances their role in sustaining the regional anomaly.
- The analysis for the tracks passing through the Karakoram reveals the role of snowfall as a crucial factor in mass balance estimations.

Yield Inversion, Soft Landing & Reverse Currency War

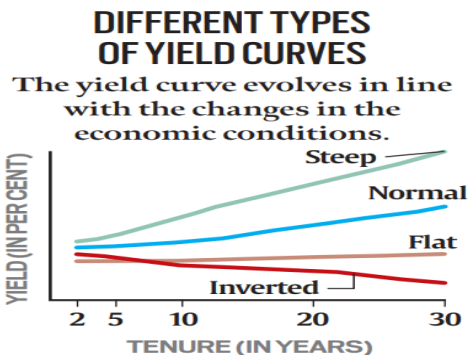
❖ Context

➢ The USA's inflation rate for June was recorded as 9.1%, highest in 40 years, even after rapid increase in interest rates by the central bank.

➢ Accordingly, observers are arguing that the situation may lead to yield curve inversion and start a reverse currency war. Further, the central bank will not be able to achieve softlanding for the US economy.

❖ Yield Curve Inversion

- Bond is a **debt instrument** through which the government or corporation raises money from the public. They can be of different tenures.
- **Yield = coupon amount/market price of the bond**. Thus, the bond price and yield are inversely related.
- **Coupon amount** is the periodic interest payments received on the bond.
- **Government bonds** are a good way to understand the **risk-free interest rate** in the economy.



- **Yield curve** is the graphical representation of yields from bonds (with equal ratings) over different time horizons.
- Under **normal circumstances**, any economy would have an **upward sloping curve** i.e. longer duration bonds give higher yields.
- However, at times, the curve becomes inverted, i.e. shorter duration bonds have higher yields than longer duration bonds.
- It indicates the investors expect short term growth of the economy to be weak. Thus, they pull the money out of short term riskier investments and invest in long term bonds. This raises the demand of bonds and thus the prices which lead to fall in yields.
- It is a **strong predictor of recession.**

❖ Softlanding

- The central banks in order to tame inflation reduce the money supply and raise the cost of money by raising interest rates. This is known as **monetary tightening.**
- The monetary tightening leads to a **slowdown** in the economy.
- When the central bank is successful in slowing down the economy **without bringing recession,** it is called a **softlanding** - no one gets hurt.
- On the other hand, **when the actions bring recession, it is known as hard landing**.

❖ Reverse Currency War

- The **rising interest rates** are causing investors to pull out money from other countries and put money in the US.
- Thus, **demand for the dollar rises** and it becomes stronger than other currencies i.e. the **value of other currencies depreciates**.
- Though, this is good for the countries' exports but at the same time, **weak currency is raising the cost of imports too**.
- To prevent the severe trade imbalance, countries may raise their interest rate too.

DIGI YATRA

❖ Context

- Recently the Consultative Committee meeting of **Ministry of Civil Aviation** was held in New Delhi to discuss the topic of '**DIGI YATRA.'**

❖ Key Highlights

- It is a project conceived to achieve contactless, seamless processing of passengers at Airports, based on **Facial Recognition Technology** (FRT).
- The project basically envisages that any traveller may pass through various check points at the airport through a paperless and contactless processing, using facial features to establish the identity which would be linked to the boarding pass.
- The privacy issues have been taken care of in the system.
- In first phase, Digi Yatra is proposed to be rolled out at two Airports namely **Varanasi and Bengaluru in August 2022** and at five Airports namely Pune, Vijayawada, Kolkata, Delhi and Hyderabad by March next year.

❖ Digi Yatra Foundation

- Digi Yatra Foundation (DYF) has been set up as a **joint venture** (JV) company in 2019 under Section 8 of the Companies Act, 2013 whose shareholders are AAI (26% shares) and BIAL, DIAL, GHIAL, MIAL and CIAL.
- The Foundation was formed, with the objective of creating the Digi Yatra Central Ecosystem (DYCE).
- It will be a pan-India entity and the custodian of the Passenger ID validation process.
- It will also develop consensus amongst the Aviation Stakeholders in India.
- It would also define the criteria for compliance and guidelines for the local airport systems.

News in Between the Lines

Commonwealth Games 2022	❖ **Context** ➢ Prime Minister will interact with the Indian contingent bound for the Commonwealth Games 2022 on 20th July via video conferencing. ❖ **Key Highlights** • The CWG 2022 is scheduled to be held in Birmingham,England from 28th July to 8th August 2022. • A total of **215 athletes**, participating in 141 events across 19 sporting disciplines, will represent India in the CWG 2022.

❖ Commonwealth Games

- The **Commonwealth Games**, often referred to as the **Friendly Games**, is an international multi-sport event involving athletes from the Commonwealth of Nations.
- The event was first held in **1930**, and, with the exception of **1942 and 1946**, has taken place every four years since then.
- Although there are currently 54 members of the Commonwealth of Nations, 72 teams currently participate in the Commonwealth Games.

Sindhudhvaj

❖ Context

- ➢ The Navy's **Kilo class submarine**, INS Sindhudhvaj, was decommissioned from service at Visakhapatnam after 35 years in service.

❖ Key Highlights

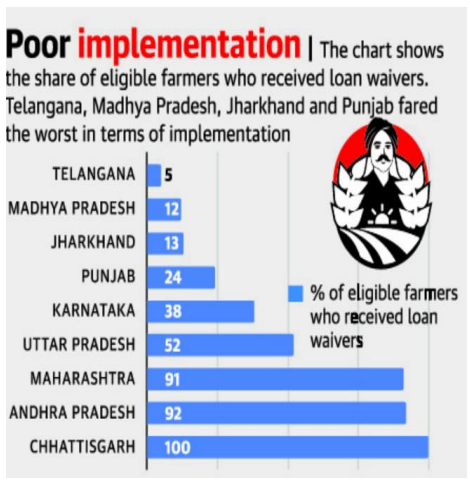
- It was commissioned into the Navy in **June 1987.** It was **one of the 10 Kilo class submarines** India acquired from **Russia** between 1986 and 2000.
- It was the only submarine to be awarded the Chief of Naval Staff (CNS) rolling trophy for innovation by the Prime Minister.
- Various indigenineous technologies got operationalised first in the submarines:
  - Sonar USHUS,
  - Satellite communication system Rukmani.
  - MSS, inertial navigation system and Torpedo fire control system.
- The **Navy's sub-surface fleet** now includes seven Russian Kilo class submarines, four German HDW submarines, four French Scorpene submarines and the indigenous nuclear ballistic missile submarine Arihant.

Farm Loan Waivers

❖ Context

- ➢ A study was conducted by SBI researchers based on the outcomes of 10 farm loan write-offs worth about ₹2.53 lakh crore announced by **9 states** since 2014.

❖ Key Highlights



- Out of approximately 3.7 crore eligible farmers, only **around 50% of the farmers received** the amount of loan waiver till March 2022.
- Of the total accounts eligible for farm loan waiver, **most of the accounts (more than 80% in some states) were in the standard category** - loans being serviced in a timely manner by borrowers.
- Loan waivers **destroy the credit culture** which may harm the farmers' interest in the medium to long term and also **squeeze the fiscal space** of governments to increase productive investment.

Anayoottu

❖ Context

- ➢ **Sree Vadakkunnathan Temple, Thrissur** conducts an annual ritual whose origin lies with the opening ceremony of Asian Games in Delhi in 1982.

❖ Key Highlights

- Under the ritual, **special nutritious food** is served to the **elephants** on the first day of every Karkkidakam of the Malayalam calendar.
- It started when elephants after returning from the opening ceremony of Asian Games became sick and weak.

Bonalu

❖ Context

- ➢ The festival was celebrated in Hyderabad and across Telangana.

❖ Key Highlights

- It is a **Hindu festival** centred around worshipping **goddess Mahakali**.
- Women prepare rice cooked with milk and jaggery **(*Bonam*)**, carry the pots on their heads and offer to the Mother Goddess across the temples.

Initiative on mainstreaming millets in Asia and Africa

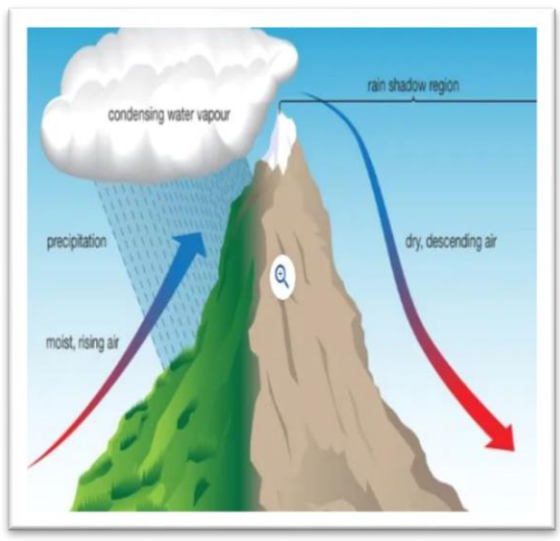
❖ **Context**

- ➢ **NITI Aayog** and the **World Food Programme**, India have launched the Mapping and Exchange of Good Practices initiative for mainstreaming millets in Asia and Africa in a hybrid event.

❖ **Key Highlights**

- NITI Aayog and WFP will prepare a compendium of good practices for scaling up the production and consumption of millets in India and abroad.
- The resolution was initiated by India with **Bangladesh, Kenya, Nepal, Nigeria, Russia and Senegal** and was co-sponsored by over 70 nations.
- It is aimed at raising awareness about the health benefits of the grain and its suitability for cultivation under changing climatic conditions.
- This also offers research and innovation opportunities for agriculture scientists and start-up communities.

The Science of Cloudbursts



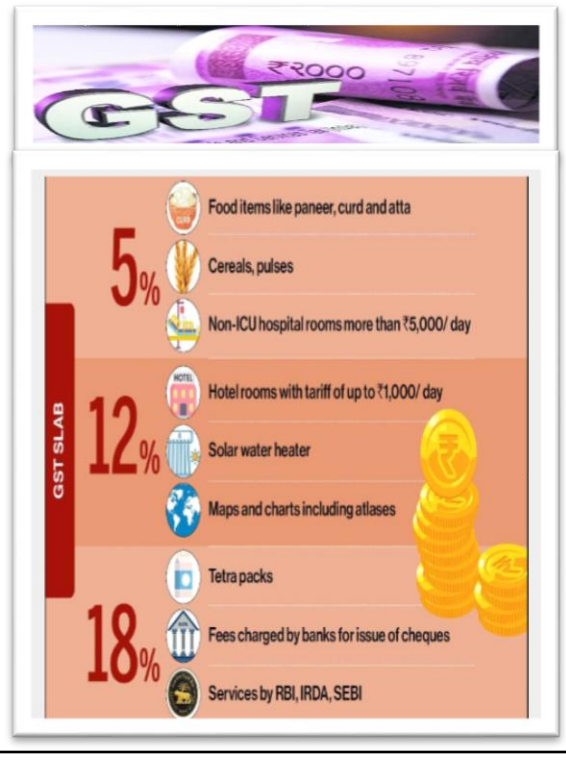
❖ **Context**

- ➢ In recent days there have been several incidents of cloudburst in different parts of country.

❖ **What is Cloudbrust?**

- A cloudburst is sudden spell of localised, heavy rainfall. The India Meteorological Department **defines cloudburst** as the condition where the amount of rainfall over a particular area exceeds **100 millimetres in an hour.**
- They often result in flash floods & have become increasingly common from **May-September** when the S-W monsoon season prevails in much of the country.
- **Responsible Phenomenon:** The phenomenon that is responsible for this large amount of precipitation in such a short duration is **'orographic lift'.**
- It is the process by which clouds that are already to rain are pushed up by warm air currents.
- As they reach higher elevations, the water droplets within the clouds become bigger and new ones are formed. Lightning within these clouds help in delaying rainfall.
- These dense clouds eventually burst, unable to hold the large volume of moisture. This results in **torrential downpours** in the geographical region right below and leads to overflowing of water bodies in a very short duration of time.

New GST Rates on Number of Items



❖ **Context**

- ➢ The new **Goods and Services Tax (GST)** rates on a number of items came into effect from 18th July 2022.

❖ **Key Highlights**

- Certain items will attract more GST while the rates on certain things are coming down.
- The decision to change the GST rate had been taken during the **47th GST Council Meeting** held in Chandigarh .
- **For Example:** Eighteen percent GST will be charged by banks as a fee for issuing cheques.
  - Hotel accommodation priced up to one thousand rupees per day will be taxed at 12%.
  - GST on e-waste has increased to 18 percent from the earlier rate of 5%.
  - The tax will be cut on the transport of goods and passengers by ropeways to **5%** from 12%.
  - Electric vehicles are eligible for the concessional GST rate of **5%.**
- **Goods and Services Tax :** It is an indirect tax (or consumption tax) used in India on the supply of goods and services.
- It is a comprehensive, multistage, destination-based tax comprehensive because it has subsumed almost all the indirect taxes except a few state taxes.

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