UPSC Daily Current Affairs | Prelim Bits 19-05-2020

Measures to boost business under Atmanirbhar Bharat Abhiyan

Related to IBC

- Minimum threshold to initiate insolvency proceedings has been raised to Rs.1 crore (from Rs.1 lakh, which largely insulates Micro, Small and Medium Enterprises-MSMEs).
- Special insolvency resolution framework for MSMEs under Section 240A of the Insolvency and Bankruptcy Code (IBC) will be notified.
- Suspension of fresh initiation of insolvency proceedings up to one year, depending upon the pandemic.
- Empowering the Central Government to exclude Covid-19 related debt from the definition of "default" under the IBC for the purpose of triggering insolvency proceedings.

Related to the Companies Act

- Decriminalization of Companies Act, 2013 violations involving minor technical and procedural defaults (shortcomings in Corporate Social Responsibility (CSR) reporting, inadequacies in Board report, filing defaults, etc).
- Majority of the compoundable offences sections to be shifted to Internal Adjudication Mechanism (IAM).
- The amendments will de-clog the criminal courts and National Company Law Tribunal (NCLT).

Ease of Doing Business for Corporates

- Direct listing of securities by Indian public companies in permissible foreign jurisdictions.
- Private companies which list Non-Convertible Debentures (NCDs) on stock exchanges not to be regarded as listed companies.
- Power to create additional/specialized benches for National Company Law Appellate Tribunal (NCLAT).
- Lower penalties for all defaults for Small Companies, One-person Companies, Producer Companies and StartUps.

Public Sector Enterprise Policy for a New, Self-reliant India

- List of strategic sectors requiring the presence of Public Sector Enterprises (PSEs) in public interest will be notified.
- In strategic sectors, at least one enterprise will remain in the public sector but private sector will also be allowed.
- In other sectors, PSEs will be privatized (timing to be based on feasibility etc.).

Defence Testing Infrastructure Scheme

- Union Government has approved the launch of Defence Testing Infrastructure Scheme (DTIS).
- It aims to give a boost to domestic defence and aerospace manufacturing.
- It has an outlay of Rs 400 crore for creating state of the art testing infrastructure for defence testing sector.
- It envisages to setup six to eight new test facilities in partnership with private industry.
- This will facilitate indigenous defence production, consequently reduce imports of military equipment and help make the country self-reliant.
- The projects under the Scheme will be provided with up to 75% government funding in the form of 'Grant-in-Aid'.
- The remaining 25% of the project cost will have to be borne by the Special Purpose Vehicle (SPV) whose constituents will be Indian private entities and State Governments.
- The SPVs under the Scheme will be registered under Companies Act 2013 and shall also operate and maintain all assets under the Scheme, in a self-sustainable manner by collecting user charges.
- While majority of test facilities are expected to come up in the two Defence Industrial Corridors (DICs), the Scheme is not limited to setting up Test Facilities in the DICs only.

Defence Industrial Corridor in India

- Union Government in 2019, has set up defence industrial corridors in Uttar Pradesh and Tamil Nadu.
- These defence corridors will facilitate a well-planned and efficient industrial base that will lead to increased defence production in the country.
- The corridors overlap with existing defence public sector companies, and aim to ensure connectivity among various defence industrial units.

1. Uttar Pradesh Defence Industrial Corridor includes - Lucknow, Kanpur, Agra, Aligarh, Chitrakoot and Jhansi.
2. Tamil Nadu Defence Industrial Corridor includes - Chennai, Hosur, Salem, Coimbatore and Tiruchirappalli.

Special Purpose Vehicle

- A Special Purpose Vehicle (SPV) is a legal entity that is formed for a well-defined, sole and narrow purpose.
- It is generally a company formed to fulfill one or a group of narrow objectives by its promoters.
- SPVs are generally formed to isolate a company's assets or activities.
- The activities or assets are distanced into the new entity, i.e., the SPV and so investors or lenders feel more comfortable.
- It is basically a means to separate the risk and free up capital.
- The SPVs and the sponsoring company (sometimes the parent company) are insured against the risk of bankruptcy.
- SPVs are also used to securitize loans or any other receivables.
- Other uses of SPVs include circumventing certain regulatory constraints, maintaining the confidentiality of intellectual property, property investing especially in countries that have different tax rates for property sale gains and capital gains.
- Objectives of SPV are

1. **Securitization -** Banks create SPVs commonly to securitise loans.
2. **Risk-sharing -** SPV creation allows companies to legally isolate risks of a project.
3. **Property sale -** If the taxes on property sales are higher than that of the capital gain, a company can establish an SPV which will own the properties for sale. Then, it can sell the SPV instead of the properties and then pay tax on the capital gain instead of the property sales tax.
4. **Asset transfer**- If certain assets are hard to transfer, a company can create an SPV to own these assets. After that, the company can sell the SPV as a part of a mergers and acquisitions process.

National Migrant Information System (NMIS)

- Recently, the National Disaster Management Authority (NDMA) has developed an online dashboard called 'National Migrant Information System (NMIS)'.
- The online portal (NMIS) would maintain a central repository of migrant workers and help in speedy inter-state communication to facilitate the

smooth movement of migrant workers to their native places.

- The key data pertaining to the persons migrating has been standardized for uploading such as name, age, mobile no., originating and destination district, date of travel etc.
- States will be able to visualize how many people are going out from where and how many are reaching their destination States.
- It has additional advantages like contact tracing, which may be useful in overall Covid-19 response work.
- The mobile numbers of people can be used for contact tracing and movement monitoring during Covid-19.

National Disaster Management Authority

- The National Disaster Management Authority (NDMA) is the apex statutory body for disaster management in India.
- It was constituted in accordance with the Disaster Management Act, 2005 with the Prime Minister as its Chairperson and nine other members, and one such member to be designated as Vice-Chairperson.
- It aims to build a safer and disaster resilient India by a holistic, proactive, technology driven and sustainable development strategy that involves all stakeholders and fosters a culture of prevention, preparedness and mitigation.
- Its primary purpose is to coordinate response to natural or man-made disasters and for capacity-building in disaster resiliency and crisis response.
- It is also the apex body to lay down policies, plans and guidelines for Disaster Management to ensure timely and effective response to disasters.

Travel Bubble

- Creating a travel bubble involves reconnecting countries or states which have shown a good level of success in containing the Covid-19 pandemic domestically.
- Such a bubble would allow the members of the group to restart trade ties with each other and open travel and tourism.
- According to a report, potential travel bubbles among better-performing countries around the world would account for around 35% of the global Gross Domestic Product (GDP).
- Travel bubbles are favored by smaller countries because they are likely to benefit after being able to trade again with larger partners.
- Criteria for Entering the Travel Bubble includes the following

1. People from the outside countries, willing to join the bubble corridor, will have to go into isolation for 14 days.
2. One should not have travelled outside the member countries of the travel bubble, in the past 14 days.
3. One should not be infected with coronavirus and should not have come in contact with anyone who has been coronavirus infected.

- Australia and New Zealand reached an agreement to form a travel bubble, once it becomes safe to operate flights between them.
- Once it opens, the trans-Tasman zone (around Tasman Sea) will allow travel without a quarantine period.
- Recently, the Baltic countries of Estonia, Latvia and Lithuania started a travel bubble to help put their economies back on track after Covid-19 lockdowns.
- In the Estonia-Latvia-Lithuania travel bubble, residents would be able to travel freely by rail, air and sea without quarantine measures.

Trans-Tasman Zone

- Trans-Tasman Travel Arrangement is an arrangement between Australia and New Zealand which allows for the free movement of citizens of one of these countries to the other.
- The arrangement came into effect in 1973 and allows citizens of each country to reside and work in the other country, with some restrictions.

Baltic countries

- Baltic countries, include the countries of Estonia, Latvia and Lithuania, on the eastern shores of the Baltic Sea.

- The Baltic States are bounded on the west and north by the Baltic Sea, which gives the region its name, on the east by Russia, on the southeast by Belarus and on the southwest by Poland and an exclave of Russia.
- In 1991, their then popularly elected governments declared independence from the Union of Soviet Socialist Republics (USSR) with overwhelming support.
- All three of them are members of the European Union (EU) and are sparsely populated.
- India and Baltic countries have historical connect and common linguistic roots.
- The cutting edge technology and innovation ecosystems of the Baltic countries complement India’s huge market and appetite for these

technologies.



Syndemic

- World Health Organization (WHO) announced that Covid-19 less likely to be eliminated (i.e. may become endemic).
- The possibilities of Covid-19 being syndemic have been raised in the backdrop of the announcement.
- Classification of Diseases based on spread and occurrence

1. **Pandemic -** A pandemic is declared when a new disease for which people do not have immunity spreads around the world beyond expectations.
2. **Epidemic -** An epidemic is a large outbreak, one that spreads among a population or region. It is less severe than pandemic due to a limited area of spread.
3. **Endemic -** A disease is called endemic when the presence or usual prevalence of its infectious agent is constant within a given geographical area or population group.
4. **Syndemic -** A Syndemic is a situation when two or more epidemics interact synergistically to produce an increased burden of disease in a population.

- The least possibility of elimination of Covid-19 pandemic and warning about the second wave of Covid-19 infections worldwide have reinforced the presence of Covid-19 for the long term.
- Meanwhile, the alarm is being raised about diseases like dengue and malaria emerging with the upcoming monsoon season in tropical South Asia.
- Thus, there is a possibility that the world will face increased burden of the diseases and thus the situation of syndemic.
- The second wave of infection due to Covid-19 is suspected to be seen in those with weakened immunity.
- At the same time, the world already faces antibiotic resistance and if Covid-19 deepens as a syndemic in populations with antibiotic resistance, the world will face comorbidities (Co-morbidity is the presence of one or more additional conditions co-occurring with a primary condition)

Pinanga andamanensis

- Recently, a rare palm, Pinanga andamanensis, has been successfully cultivated at Jawaharlal Nehru Tropical Botanic Garden and Research

Institute (JNTBGRI), Thiruvananthapuram (Kerala).

- Pinanga andamanensis is a rare palm endemic to South Andaman Island.
- Its entire population of some 600 specimens naturally occurs only in a tiny, evergreen forest pocket in South Andaman's Mount Harriet National Park.
- Endemic species are those plants and animals that exist only in one geographical region.
- The name is derived from 'Penang', the modern-day Malaysian state.
- Penang itself has its origins in Pulau Pinang which means Island of the Areca Nut Palm.
- It has strong resemblance with the areca palm tree (widely used for bright interiors).
- It has a small gene pool which means the species is vulnerable to natural calamities such as cyclones, earthquakes.
- JNTBGRI scientists term it a critically endangered species and one of the least known among the endemic palms of the Andaman Islands.
- JNTBGRI will resume seed germination experiments for mass multiplication as part of the conservation strategy.

Mount Harriet National Park

- It is located in the south of the Andaman and Nicobar islands.
- Mount Harriet is the third-highest peak in the Andaman and Nicobar archipelago next to Saddle Peak in North Andaman and Mount Thuillier in Great Nicobar.
- The park is covered with evergreen forest pockets.
- It is rich in flora and faunal species like andaman wild pigs, saltwater crocodiles, butterflies and palm trees.

International Press Institute

- International Press Institute is a global organization dedicated to the promotion and protection of press freedom and the improvement of journalism practices.
- It was founded in October 1950, the IPI has members in over 120 countries.
- IPI is a member of the International Freedom of Expression Exchange, a global network of non-governmental organizations that monitors press freedom and free expression violations worldwide.

- It is composed of editors, media executives and IPI Leading Journalists which is open to heads of media departments, bureau chiefs, correspondents and others.
- IPI enjoys consultative status with the UN, UNESCO and the Council of Europe.
- **World Press Freedom Review** - It is an authoritative report on media violations around the world published by IPI annually.
- **Free Media Pioneer Award** - It honours individuals or organizations that fight against great odds to ensure freer and more independent media in their country or region.
- The award is co-sponsored by the US-based Freedom Forum, a non-partisan, international foundation dedicated to free press and free speech.
- **IPI World Congress -** Each year, IPI holds an international congress where several hundred publishers, editors and senior journalists from around the world gather to debate and discuss a range of issues that concern the fight for a free media.

Source: PIB, the Hindu, Indian Express

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