



## **DAILY CURRENT AFFAIRS 25-05-2024**

### **GS-1**

1. Dhaniakhali Saree
2. Remal Cyclone

### **GS-2**

1. SC interim order on voter data

### **GS-3**

1. RBI's surplus transfer
2. Investment Facilitation for Development

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## **Dhaniakhali Saree**

**Syllabus: GS-1: Indian craft and heritage.**

**Context:**

- *Recently, Indian Express published an article titled 'Why is Bengal's iconic taant sari so stiff?'*

**About Dhaniakhali Saree:**

**Origin and Cultural Significance:**

- *Dhaniakhali Saree is a **handloom cotton saree** originating from the Hooghly district of West Bengal, India.*
- *It holds a **Geographical Indication (GI)** tag, signifying its unique quality and link to the region.*
- *Dhaniakhali sarees are known for their **lightweight, breathable fabric**, making them ideal for the **warm and humid climate of Bengal**.*
- *They are often **adorned with intricate designs and motifs**, reflecting the rich textile heritage of West Bengal.*
- *These motifs can be floral, geometric, or **inspired by temple art and mythology**.*

**Fabric and Weaving Technique:**

- *Dhaniakhali sarees are **traditionally made from handspun cotton**, known as "**tant**" or "**khadi**."*
- *The weaving technique involves a **complex process using a frame loom**.*
- *Artisans use a **variety of weaving methods** to create different patterns and textures. Some common techniques include:*
- **Dhaani:** *This involves creating stripes using contrasting colors.*
- **Jamdani:** *This technique involves weaving intricate motifs directly onto the saree using supplementary weft threads.*

**Socio-economic Importance:**

- *Dhaniakhali saree weaving is a cottage industry that provides **livelihood to many families** in West Bengal, particularly women artisans.*
- *The production process is **labor-intensive** and requires **skilled craftsmanship**.*
- *The saree's popularity contributes to the **preservation of traditional textile weaving techniques and cultural heritage**.*
- *The GI tag helps protect the **economic interests of weavers** and ensures the authenticity of the product.*

**Other similar sarees:**

Saree	State	Description
<i>Kanchipuram Silk</i>	<i>Tamil Nadu</i>	<i>Renowned for rich silk fabric, intricate zari work, and vibrant colors.</i>
<i>Chanderi</i>	<i>Madhya Pradesh</i>	<i>Known for lightweight texture, sheer fabric, and traditional motifs. Woven with a blend of silk and cotton yarns.</i>
<i>Venkatagiri</i>	<i>Andhra Pradesh</i>	<i>Characterized by soft texture, fine count cotton, and intricate Jamdani weaving. Often features traditional motifs.</i>
<i>Baluchari</i>	<i>West Bengal</i>	<i>Famous for elaborate Pallu depicting mythological scenes, historical narratives, and intricate motifs. Traditionally woven in silk but also available in cotton variants.</i>
<i>Chettinad Cotton</i>	<i>Tamil Nadu</i>	<i>Known for durability, bold colors, and striking patterns. Handwoven by skilled artisans in the Chettinad region.</i>
<i>Ilkal</i>	<i>Karnataka</i>	<i>Crafted using the 'kasuti' weaving method. Features distinctive pallus and borders adorned with traditional motifs, predominantly in earthy tones.</i>
<i>Gadwal</i>	<i>Telangana</i>	<i>Renowned for unique weaving style where the body is in cotton and borders/pallu are in silk. Features intricate zari work and traditional motifs.</i>

## **Remal Cyclone**

### **Syllabus: GS-1: Tropical Cyclones.**

#### **Context:**

- *Storm to hit Bengal's Sagar Islands early Sunday.*

#### **More about news:**

- *A new cyclonic storm, named Cyclone Remal, is forming in the Bay of Bengal.*
- *It is expected to hit **Sagar Islands (West Bengal, India)** and **Khepupara(Bangladesh)** early on May 26.*
- *This is the **first cyclone of the pre-monsoon season** in the Bay of Bengal.*

- **Heavy to very heavy rain** is expected in parts of West Bengal (South and North 24 Parganas, Purba Medinipur, Kolkata, Howrah, Hooghly) on May 26-27.

### Introduction

- **Tropical cyclones** are intense circular storms that originate over warm tropical oceans.
- **Known by different names:** Hurricanes (Atlantic), Typhoons (Western Pacific), and Cyclones (Indian Ocean and South Pacific).

### Formation Conditions

- **Warm Ocean Waters:** Sea surface temperatures of at least 26.5°C.
- **Atmospheric Instability:** Warm, moist air rises, creating low pressure at the surface.
- **High Humidity:** Sustains the rising air mass.
- **Coriolis Force:** Needed to create the cyclone's rotation, hence they form away from the equator (between 5° and 20° latitude).
- **Low Vertical Wind Shear:** Prevents the storm structure from breaking apart.

### Stages of Development

- **Tropical Disturbance:** A cluster of thunderstorms with weak surface winds.
- **Tropical Depression:** Organized system of clouds and thunderstorms with a defined surface circulation and winds up to 61 km/h.
- **Tropical Storm:** More organized system with winds between 62-88 km/h, officially named.
- **Cyclone (Hurricane/Typhoon):** Winds exceed 119 km/h, fully developed system.

### Structure.

- **Eye:** Calm, clear center of the cyclone.
- **Eyewall:** Surrounds the eye, with the most severe weather and highest winds.
- **Rainbands:** Bands of heavy rain and thunderstorms spiraling outward from the eyewall.

### Effects

- **Strong Winds:** Can cause widespread destruction.
- **Heavy Rainfall:** Leads to flooding and landslides.
- **Storm Surges:** Elevated sea levels cause coastal flooding.
- **Secondary Effects:** Disease outbreaks, disruption of infrastructure, economic loss.

## **SC interim order on voter data**

**Syllabus: GS-2: Judiciary and Elections.**

### Context:

- *Supreme Court denies interim order on booth-wise voter data.*

### More about interim order:

- *The Supreme Court did not make an immediate decision on a request by the **Association for Democratic Reforms (ADR)**.*
- *ADR wanted the Election Commission of India (ECI) to **share voter turnout data** for each polling station within 48 hours after each phase of the elections.*
- *The court delayed the hearing of this request, saying it was **too similar to an ongoing case**.*
- *The Supreme Court decided **not to interfere with the elections**, as they were already in an advanced stage.*

### ECI arguments:

- *The Election Commission of India (ECI) **opposed ADR's plea**, stating there is no legal requirement to publish detailed voter turnout data.*
- *The ECI argued that releasing this data, including votes from postal ballots, **could confuse voters**.*
- *The ECI accused ADR of making **misleading allegations** and raising unnecessary suspicions about election integrity.*
- *The ECI stated that **full disclosure of vote counts** could disrupt the electoral process, especially in close contests.*

### What is an interim order?

- *An interim order is a **temporary ruling issued by a court** during the course of a legal proceeding.*

### Here are some key points to understand it better:

- **Temporary Nature:** *Interim orders are not final decisions; they are meant to address urgent issues that need immediate attention while the main case is still being considered.*
- **Purpose:** *These orders can provide relief or maintain the status quo to prevent harm or injustice before the final verdict is reached.*
- **Examples:** *Common examples include restraining orders, temporary injunctions, and temporary custody arrangements.*
- **Duration:** *Interim orders remain in effect until the court issues a final order or modifies the interim order based on further developments in the case.*

- **Reversibility:** Since they are temporary, interim orders can often be modified or revoked by the court as new evidence or arguments are presented.

## **RBI's surplus transfer**

**Syllabus: GS-3: Indian Economy – RBI.**

**Context:**

- The Reserve Bank of India (RBI) approves a significant surplus transfer of Rs 2.11 lakh crore to the Central Government for the accounting year 2023-24.

**How does the RBI Determine the Allocation of Dividends?**

- The surplus calculation relies on the **Economic Capital Framework (ECF)** advised by the **Bimal Jalan committee**.
- The committee suggests maintaining a **Contingent Risk Buffer (CRB)** between 5.5% and 6.5% of the RBI's balance sheet.
- Risk provisioning comes **primarily from retained earnings** before surplus income is transferred to the government as dividends.
- **The CRB encompasses provisions** for monetary and financial stability risks, credit, and operational risks.
- RBI transfers surplus, **defined as income exceeding expenditure**, to the government under Section 47 of the **Reserve Bank of India Act, 1934**.

**Reasons for the Increase in RBI's Surplus:**

- As of March 2024, **RBI held USD 646 billion in foreign exchange reserves**, with USD 409 billion invested in top-rated sovereign securities.
- **Gross dollar sales** were lower in FY24 (USD 153bn) compared to FY23 (USD 213 bn).
- Despite reduced dollar sales in FY24, RBI's management of **foreign currency assets ensured sustained high revenue**.
- Income from **Liquidity Adjustment Facility (LAF)** operations also contributed to the overall surplus.

**Reserve Bank of India's sources of income, expenditure, and surplus:**

Sources of Income	Expenditure	Surplus
1. Interest from Government Securities	1. Operating Expenses	Total income (sum of sources of income)

Sources of Income	Expenditure	Surplus
2. Open Market Operations (OMOs)	2. Interest Paid on Deposits and Borrowings	Total expenditure (sum of expenses)
3. Foreign Exchange Operations	3. Currency Issue Expenses	Net income (Total income - Total expenditure)
4. Interest on Loans and Advances	4. Provisioning for Contingencies and Reserves	Reserve funds and contingency provisions for financial stability and emergencies
5. Income from Liquidity Adjustment Facility (LAF)		

### Bimal Jalan Committee Recommendations:

#### Formation:

- The RBI formed a **six-member committee in 2018** chaired by former governor Dr Bimal Jalan to review the **economic capital framework (ECF)** following a request from the Ministry of Finance to align with global practices.

#### Recommendations:

- The committee proposed a clear bifurcation of RBI's economic capital into **Realised equity and Revaluation balances**.
- **Revaluation balances** encompass unrealised gains/losses in foreign currencies, gold, securities, and a contingency fund.
- **Realised equity**, or CRB, is funded by retained earnings to cover risks and losses.
- It suggested **maintaining a CRB within the range of 6.5% to 5.5%** of the RBI's balance sheet to provide a sufficient buffer against market, credit, and operational risks.
- The committee recommended **transferring surplus funds to the government only after maintaining the CRB within the suggested range** to ensure RBI's financial resilience while supporting the government's fiscal needs.
- It also proposed **reviewing the RBI's ECF every five years**.

#### Note:

- *The RBI Board's technical Committee, led by Y H Malegam in 2013, recommended a higher transfer of reserves and surplus to the government, typically averaging around 0.5% of the Gross Domestic Product (GDP) with some exceptions.*

## **Investment Facilitation for Development**

**Syllabus: GS-3: International Economic groupings and agreements.**

**Context:**

- *India fighting pressure at WTO to **allow 'plurilateral pact'** on investment facilitation.*

**More about the issue:**

- **India's Refusal:** *India is resisting this pressure and refusing to consent to the inclusion of the IFD pact.*
- **Reasons for Opposition:** *India argues that **investment is not a suitable topic** for discussion within the WTO framework.*
- **Previous Stance:** *India's position on this issue was outlined at the WTO 13th Ministerial Conference (MC13) in Abu Dhabi, where it opposed incorporating investment facilitation and other plurilaterals into the WTO framework.*
- **Plurilateral Agreement:** *The IFD pact, if included, would be a plurilateral agreement **binding only on its signatories**, not on non-members like India, South Africa, the US, and others.*
- **India and South Africa's Role:** *India and South Africa played a crucial role in blocking the inclusion, citing a **lack of exclusive consensus** among member countries.*
- **India's Concerns:** *India is worried that certain provisions of the IFD pact might **force the government to consult investors on policy matters**, which could restrict its policy space.*
- **Investment as a Non-Trade Issue:** *India argues that investment is not a trade issue and has been decided in previous Ministerials to be kept out of the WTO.*
- **Arguments at General Council:** *India reiterated its concerns at the WTO's General Council meeting, while other members, including the EU, pushed for the adoption of the IFD pact.*
- **Key Pillars of IFD Agreement:** *The IFD Agreement focuses on transparency of investment measures, streamlining investment-related procedures, international cooperation, and sustainable investment.*
- **Potential Benefits:** *Proponents suggest that the IFD Agreement could benefit all WTO members, especially developing and least-developed countries.*



## About Investment Facilitation for Development

Aspect	Details
<i>Initiative Launch</i>	<i>Launched at the 11th WTO Ministerial Conference (MC11) in December 2017 by 70 countries.</i>
<i>Aim</i>	<i>Establish legally binding provisions to ease investment flows, create predictable, transparent, and open investment rules.</i>
<i>Objective</i>	<i>Encourage greater involvement of developing and least-developed WTO Members in global investment flows.</i>
<i>Finalization and Support</i>	<i>Finalized in November 2023, with support from over 120 of the 166 WTO member countries.</i>
<i>Key Areas</i>	<i>- Improving regulatory transparency and predictability - Streamlining administrative procedures - Enhancing international cooperation - Addressing other issues like promoting responsible business conduct.</i>
<i>India's Participation</i>	<i>Not a part of this initiative.</i>