



Daily Current Affairs Dated On 24-July-2019

GS-1

Lightening in India

Twenty-nine people have been killed by lightning over the past 36 hours in Bihar. Most deaths have occurred in Jamui -- eight. Earlier, 11 people were killed by lightning on July 20.

Why and how -- and how frequently -- does lightning kill in India?

How common are deaths by lightning?

- It is more common than is sometimes realised in the urban areas.
- As a whole, India sees 2,000-2,500 lightning deaths every year on average. Lightning is the biggest contributor to accidental deaths due to natural causes.
- A few years ago, over 300 people were reported killed by lightning in just three days -- a number that surprised officials and scientists.
- Several thousand thunderstorms occur over India every year. Each can involve several -- sometimes more than a hundred -- lightning strikes. Dr Sunil Pawar of IITM says incidents of lightning have been showing an increasing trend over the last 20 years, especially near the Himalayan foothills.

What is lightning, and how does it strike?

- Lightning is a very rapid -- and massive -- discharge of electricity in the atmosphere, some of which is directed towards the Earth's surface. These discharges are generated in giant moisture-bearing clouds that are 10-12 km tall. The base of these clouds typically lies within 1-2 km of the Earth's surface, while their top is 12-13 km away. Temperatures towards the top of these clouds are in the range of minus 35 to minus 45 degrees Celsius.
- As water vapour moves upward in the cloud, the falling temperature causes it to condense. Heat is generated in the process, which pushes the molecules of water further up.



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- Several thousand thunderstorms occur over India every year. Each can involve several -- sometimes more than a hundred -- lightning strikes.
- As they move to temperatures below zero degrees celsius, the water droplets change into small ice crystals. They continue to move up, gathering mass -- until they are so heavy that they start to fall to Earth.
- This leads to a system in which, simultaneously, smaller ice crystals are moving up and bigger crystals are coming down.
- Collisions follow, and trigger the release of electrons -- a process that is very similar to the generation of sparks of electricity. As the moving free electrons cause more collisions and more electrons, a chain reaction ensues.
- This process results in a situation in which the top layer of the cloud gets positively charged, while the middle layer is negatively charged. The electrical potential difference between the two layers is huge -- of the order of a billion to 10 billion volts. In very little time, a massive current, of the order of 100,000 to a million amperes, starts to flow between the layers.
- An enormous amount of heat is produced, and this leads to the heating of the air column between the two layers of the cloud. This heat gives the air column a reddish appearance during lightning. As the heated air column expands, it produces shock waves that result in thunder.

How does this current reach the Earth from the cloud?

- While the Earth is a good conductor of electricity, it is electrically neutral. However, in comparison to the middle layer of the cloud, it becomes positively charged.
- As a result, about 15%-20% of the current gets directed towards the Earth as well. It is this flow of current that results in damage to life and property on Earth.



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- There is a greater probability of lightning striking tall objects such as trees, towers or buildings.
- Once it is about 80-100 m from the surface, lightning tends to change course towards these taller objects.
- This happens because air is a poor conductor of electricity, and electrons that are travelling through air seek both a better conductor and the shortest route to the relatively positively charged Earth's surface.

What precautions should be taken against lightning?

- Lightning rarely hits people directly -- but such strikes are almost always fatal.
- People are most commonly struck by what are called "ground currents". The electrical energy, after hitting a large object (such as a tree) on Earth, spreads laterally on the ground for some distance, and people in this area receive electrical shocks.
- It becomes more dangerous if the ground is wet (which it frequently is because of the accompanying rain), or if there is metal or other conducting material on it. Water is a conductor, and many people are struck by lightning while standing in flooded paddy fields.
- Predicting a thunderstorm over a pinpointed location is not possible. Nor is it possible to predict the exact time of a likely lightning strike.
- For reasons given above, taking shelter under a tree is dangerous. Lying flat on the ground too, can increase risks. People should move indoors in a storm; however, even indoors, they should avoid touching electrical fittings, wires, metal, and water.



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Indian Forest Act (IFA)

Why in news?

DISTRICTS with sizeable tribal populations saw several protests and demonstrations on Monday. The protests were organised by the Bhumi Adhikar Andolan. There were two issues that the demonstrators were decrying.

One, the proposed amendments to the Indian Forest Act (IFA), 1927; the concerned amendments to the IFA have been sent to states for consultation. Two, a move to oust forest-dwellers from forest land; a case to this effect concerning the Forest Rights Act (FRA) comes up for its next hearing before the Supreme Court on Wednesday.

What is the FRA case before the Supreme Court?

- On February 13 this year, the Supreme Court ordered the eviction of lakhs of tribals and other traditional forest dwellers whose claims under The Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act (or FRA), 2006, had been rejected following a three-tier process.
- Later, the SC temporarily put on hold the eviction by an order on February 28, giving state governments time to file affidavits on whether due process was followed before claims were rejected.
- On July 24, the Centre and states are expected to file affidavits regarding the implementation of the FRA.



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Who are the petitioners, and what is their contention?

- The petitioners are Wildlife First, Nature Conservation Society, and Tiger Research and Conservation Trust.
- They contend that the protection of forests has been severely affected due to bogus claims under the FRA, and that the bogus claimants continue to occupy large areas of forest lands, including inside national parks and sanctuaries, despite their applications being rejected under the appeals process of the FRA.

Rashtriya Aajeevika Mission

Why in news?

The Ministry of Rural Development is implementing Deendayal Antyodaya Yojana – National Rural Livelihoods Mission (DAY-NRLM) across the country in a mission mode with the objective of organizing the rural poor women into Self Help Groups (SHGs), and continuously nurturing and supporting them to take economic activities till they attain appreciable increase in income over a period of time to improve their quality of life and come out of abject poverty.

Salient features

- Under DAY - NRLM programme, Revolving Funds (RF) at the rate of Rs.10,000-15,000 per SHG and Community Investment Fund (CIF) to the extent of Rs.2,50,000 per SHG is provided to Self Help Groups (SHGs) and their federations to take up self-employment for income generation and livelihoods activities.
- Apart from this DAY-NRLM also facilitates credit mobilisation for SHGs in the form of bank loans.
- In order to reduce the effective cost of bank credit to women SHGs, DAY-NRLM is providing interest subvention to SHGs on loans from banks from Financial Year 2013-14.
- In addition, capacity building and technological support is also provided to the target households for taking up income generating activities both in farm and non-farm sectors.



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DAY-NRLM has following sub-schemes focussing on self-employment of the rural poor:

- **Rural Self Employment Training Institutes (RSETIs)**, enabling a trainee to take bank credit and start his/her own Micro-enterprise.
- Under RSETIs, opportunities are being made available to rural women by way of skill training with Entrepreneurship Development Programme (EDP) inputs to start self-employment ventures.
- **Start-up Village Entrepreneurship Programme (SVEP)** for facilitating the rural poor for setting up of micro Enterprises. Under SVEP 53,084 entrepreneurship have been set up upto 31st May, 2019.
- **Aajeevika Grameen Express Yojana (AGEY)** to facilitate transport facilities in the rural areas which also provides self employment opportunities to the rural poor. Under AGEY 730 Vehicles are operational as on 31st May, 2019.

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Mauritius Leaks

Why in news?

At the heart of the 18-country collaborative investigation by the International Consortium of Investigative Journalists (ICIJ) and The Indian Express are data from Conyers Dill & Pearman.



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What are the Mauritius Leaks?

- After Swiss Leaks, Panama Papers and Paradise Papers, over 200,000 emails, contracts and bank statements leaked from Mauritius show how the island nation was used by a long list of corporates to facilitate partnerships with multinationals and, without paying any capital gains tax, remit profits as Foreign Direct Investment (FDI) to India.
- At the heart of the 18-country collaborative investigation by the International Consortium of Investigative Journalists (ICIJ) and The Indian Express are data from Conyers Dill & Pearman, an offshore specialist law firm with several Fortune 500 companies as clients, which started operations in 1928 from Bahamas — and in 2009 from Mauritius for investments being routed to Africa and Asia.

What is Conyers Dill & Pearman, the company at the centre of the leaks?

- In 1998, Bermuda-based financial analyst Roger Crombie described the company in his book as a “full-service” law firm with an emphasis on corporate and commercial law, and offering property, trust and management services to companies and individuals.
- The firm’s three founders — James Reginald Conyers, Nicholas Bayard Dill and James Eugene Pearman — were all knighted and held public positions in Bermuda.
- Over the decades, its Private Client department helped individuals minimise their exposure to taxation, and protect family assets, through various Trust structures.
- The company opened offices across the world — in Guernsey, Cayman Islands, Hong Kong, London and the British Virgin Islands (BVI) — with offshore entities incorporated at these sites under an affiliate company, the Codan Trust.



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Why is the Mauritius connection important?

- Conyers Dill & Pearman was among those who benefitted in the decades when there were tax breaks for companies and corporations routing their investments to India via Mauritius, among other offshore destinations.
- In 2016, India amended its Double Taxation Avoidance Agreement (DTAA) with Mauritius, and the new provisions — capital gains tax, instance — are now fully applicable.
- “The challenges include the recent changes made to the double taxation avoidance agreement between Mauritius and India, which has brought uncertainty to the market. Furthermore, the advent of GAAR (General Anti Avoidance Rule) in India... and CRS (Common Reporting Standard) across major financial centers are bringing the Mauritius corporate structure under more scrutiny.”

What did the law firm do in Mauritius before the treaty was amended?

- It offers to set up funds, supply local directors, registered local offices, secretarial and administrative services, and assist in bank account opening/government filing.
- A power-point presentation of the firm, which is part of the leaks, claims that it can set up a GBC1 (Global Business Company, tax resident in Mauritius) within 10 working days for an annual licence fee of \$1,750. It points out that companies registered in Mauritius had to pay an effective income tax slab not exceeding 3% and no capital gains tax.
- The presentation notes: “We act on a large number of inward and outward investment transactions involving India and Africa (as well as other jurisdictions) and are notably established in the traditional markets that invest in India and Mauritius.”
- In offers attractive “tax benefits and favorable fiscal regime” from Mauritius. They claim to introduce clients and companies to a “low/zero tax regime” where no capital gains tax would be payable in Mauritius.



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- Mauritius leaks, black money, tax evasion, Mauritius, ICIJ, Religare, tax, tax haven, offshore black money, Swiss Leaks, Panama Papers, Paradise papers, Mauritius tax haven, Indian Express, Express Investigation,

What are some of the “transactions” listed by the firm in the leaks?

* Advised Vodafone Group plc on its \$5.46 billion acquisition of a 33% stake in Vodafone Essar Ltd, a joint venture between Vodafone and Essar.

* Advised on the formation of two Mauritius-domiciled investment funds (with a Swiss Bank as manager), which are both investing in India, in listed securities and fixed income products.

* Advised a leading venture capital fund on restructuring its India-focused funds, which are domiciled in Mauritius and the Cayman Islands, and advising on the formation of new funds.

How did the tightening of rules in India affect the firm?

- Leaked data show that before countries like India decided to rein in tax treaty benefits to increase their own tax base, bankers and companies like Conyers Dill & Pearman raised red flags over tightening regulations and compliance.
- One leaked letter, received by Ashvan Luckraz, lists the concerns of several members of the Association of Trust & Management Companies of Mauritius. One member notes how banks like HSBC and Standard Chartered have removed non-profitable account holders for “compliance reasons”.



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New butterfly species

Context

Members of a Nilgiris-based conservation group spotted two butterflies, usually found in the Devala-Nadugani belt, in the Kotagiri slopes, where they are rarely seen.

About the butterflies

- These two butterflies are seen in the Nilgiris and in other parts of the Western Ghats in usually evergreen forests. Seeing them in Kotagiri could be an indicator that their host plants are doing well here, leading to their range being extended to these slopes,” said Mr. Sethumadhavan.
- The WBA members spotted multiple individuals of the Dark Pierrot and the Pointed Lineblue, indicating that they were not stragglers who accidentally found their way to the Kotagiri slopes, he added.
- “Of course, we also need to consider that multiple variables are at play, and further studies need to be done to arrive at any conclusions about the expansion of their home ranges,” he added.