



Bail-In clause

Relevancy

- ✓ G.S. Paper 2
- ✓ About bail-in clause and the deposits at risk
- ✓ Purpose of the clause and protection to the depositors

Recently:

- ❖ 2nd January 2018: The government released another clarification on the Financial Resolution and Deposit Insurance Bill in a bid to clear the air about the many misgivings about the proposed Bill's most notorious clause-the bail-in.

What does the Bill seek to do?

The bill seeks the following:-

- Consolidate all the various regulatory laws covering India's financial institutions.
- Create a Resolution Corporation (RC) that will be in charge of winding down, reviving, or resolving in any other way an ailing financial company.
- To work in tandem with the Insolvency and Bankruptcy Code.
- To accomplish this, Bail-in is one of the tools the RC will be empowered with.
- In bail-in a bank's liabilities can be cancelled or modified to shore up its finances.

However this clause has created a lot of alarm as many felt it would put depositors' money in banks at risk.

Are the deposits at risk?

- The government said that under the current Deposit Insurance and Credit Guarantee Corporation Act, deposits up to Rupees 1 lakh are insured.
- Under the FRDI Bill, the RC will be empowered to increase this limit to whatever it chooses. So, at least that much will be protected.

What about the bail-in?

- The government has finally clarified that the bail-in clause will not be used for public sector banks (PSBs).
- It also reiterated its implicit guarantee of PSB solvency which means it "stands ready" to bail-out the PSBs if needed, removing the need for a bail-in.
- Equally important, the statement said that the cancellation of the liability of a depositor beyond the insured amount cannot take place without his or her prior consent.
- The bail-in clause thus can only be used in private banks, and that too only if the customers allow it.

Is that all protecting depositors?

- No. The use of the bail-in clause by the RC will be subject to government scrutiny and parliamentary oversight.
- In the event of a bail-in, the RC will have to ensure that depositors get back at least as much money as they would have if the bank had been liquidated.





Genome Technology

Relevancy

- ✓ G.S. Paper 3
- ✓ About genome and issues involving genome technology
- ✓ Recent developments in this technology and benefits for India
- ✓ Implications of these developments for India

What is a genome?

- A genome is an organism's complete set of DNA, including all of its genes.
- Each genome contains all of the information needed to build and maintain that organism.
- In humans, a copy of the entire genome more than 3 billion DNA base pairs is contained in all cells that have a nucleus.

What is the latest issue revolving around Genome technology?

- Genome technology is revolutionizing the medical industry.
- India must use of its scientific resources for genetic research to leverage them.

What are recent developments regarding this technology?

Recent developments in genome technology:-

- Personalized medicine by extracting particular information from one's DNA as DNA stores a person's hereditary information and gets transmitted from parents to children over generations.
- This technology also helps in building individualized medicine based on the precise information stored in each human's DNA or genome.
- At present the cost of building such treatments are very affordable due to well reformed gene editing techniques and the age of genomics-informed medicine is now within sight.

How can India benefit from these developments?

- The fact is that both genetic data and biological samples are easily transported across borders and if Indian regulation on this technology is short-sighted, it will cause Indian genomics to move abroad.
- Thus India needs to collect information about the genetics of its population and train manpower capable of interpreting it.
- The information can be gathered from a large and sustained collection of data fully sequenced individual genomes along with medical histories for the individuals.
- A data bank needs to be established which can collect and store kind of information on Indian genomes.
- Government needs to push academic institutions, the existing health-care industry, the IT industry and the nascent biotechnology industry to explore these avenues.

What implications do these developments have for India?

- India is more genetically diverse with something like 5,000 ethno-linguistic and religious groups all of which probably have some degree of genetic distinctiveness.
- The genetic implication of this is that there are likely to be many recessive diseases stemming from single genes specific to individual groups that can be identified.
- This knowledge could then also be quickly applied to the task of managing diseases in these groups as well as be used for genetic counseling that could reduce their incidence in future generations.



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- With large samples genomes genetic risk factors related to common diseases (such as heart disease that stem from many genes) that affect the health of many more individuals can be understood and cured.
- The data collected as part of these efforts will also help to uncover the basic biological function of genes and their interactions, which are not yet fully understood.
- This knowledge will be useful to humanity worldwide and also offer India a chance to claim a piece of the global medical and scientific frontier.



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Relevancy

- ✓ G.S. Paper 3
- ✓ History of Bhima Koregaon and significance of the battle
- ✓ Outcomes of the battle and history of Wadhu Budruk
- ✓ Current conflict between two nationalisms-religion and caste

Recently:

- ❖ There was a caste conflict in Bhima Koregaon and Wadhu Budruk in Maharashtra.
- ❖ It is indicative of the larger issues of caste oppression and sub-nationalism.

Brief history of Bhima Koregaon:

- Bhima Koregaon is a tiny village in Pune, Maharashtra.
- A battle in Koregaon took place between British troops and Marathas (Peshwa Bajirao II) on January 1, 1818 in which the English won.

The Significance and outcomes of the battle:

- After the battle ended the English troops constituted a sizeable number of Mahars, a dalit community in the region.
- The outcome of the battle is seen as a victory of the dalits against the injustices perpetuated by the Brahminical Peshwas.
- The East India Company erected the Vijay Sthamb (victory pillar) in memory of the battle and it includes the names of the Mahar soldiers.
- Dr B R Ambedkar had also visited it repeatedly and had emphasized the Mahars's defeat of the Peshwas.
- In the following years, thousands have been gathering in Bhima Koregaon on January 1 to pay homage.
- The 200th anniversary of the Bhima-Koregaon battle was commemorated recently which became the reason for conflict.
- Dalits increasingly regard the pillar as a symbol of renewed political aspiration.
- The denunciation of the Peshwas is being related with Mahars' social and political marginalisation in contemporary times.
- This is driving the Hindutva forces to doubt the conspicuous politicisation of Dalits which resulted in the clash and violence during the anniversary and led to the death of one.

History of Wadhu Budruk:

- Wadhu Budruk is a village near Bhima Koregaon, where Sambhaji, the eldest son of Shivaji, was cremated.
- As the legend goes, killed by the Mughals in 1689, Sambhaji's body was mutilated and thrown into a river by Aurangzeb.
- It was Govind Mahar, a Dalit, who then gathered the body parts and arranged for the last rites.
- Sambhaji's memorial was said to have been erected by the Mahars of that village.
- Consequently, Govind Mahar's tomb was also erected in the village after his death.

What led to the Current conflict?



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- Recently Marathas refused to acknowledge the role played by the Mahars in the last rites of Sambhaji.
- They also objected to a sign at the site that recounted the story and complaints were filed by both the sides.
- The violent clashes in Bhima Koregaon were an extension of the conflict in Wadhu Budruk.

The struggle between two nationalisms – religion and caste

- Both the conflicts indicate an effort to situate Maratha history within the Hindutva framework.
- Being the 200th anniversary, the gathering in Bhima Koregaon was larger than usual and a big public conference was also organised.
- The agenda was evidently against Hindutva politics.
- Notably, Hindutva politics is increasingly being projected as the neo-peshwai (new Peshwas).
- The new political articulation of the Dalits by equating Hindutva with the Peshwai has made the right-wing forces concerned.
- Certainly, some of the Hindutva organisations are polarising the political landscape on religious and caste lines.
- This is particularly to weaken the Ambedkarite Dalits who are seen as impediments to ensuring a Hindutva regime.
- The agitation underscores the latent sub-nationalistic impulses currently active in Indian society.
- In a way, this is a struggle between two nationalisms - religion-based versus caste-based.



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Relevancy

- ✓ G.S. Paper 2,3
- ✓ Potential applications of blockchain technology in various sectors

Introduction

- Blockchain is essentially a digital public ledger that securely records and automatically verifies high volume transactions digitally.
- It allows users to manipulate the ledger in a secure way without the help of a third party. At the same time, it has no single point of failure from which records or digital assets can be hacked or corrupted.
- Today, around 70-80% of banks are developing their own Blockchain technology.
- In September 2016, Barclays carried out the world's first trade transaction using Blockchain. They completed a process, which normally takes seven to ten days, down to less than four hours.

What are its potential applications?

- Banking
 - Blockchain has the potential to transform banking infrastructure, speed settlements, and streamline stock exchanges while providing much needed transparency.
 - Banks usually serve as a secure storehouses and transfer hubs for money.
 - Blockchain – as an anonymous, decentralised, digitized, secure, and tamper-proof ledger – can perform the same function.
 - It can secure storage and exchange contract details, financial terms, and coordinated trade logistics and payments on integrated real-time network.
 - It will diminish cost of money transfer.
 - Storage and share identity attributes on Blockchain enable enhanced customer due diligence while empowering individuals to maintain control over their own personal and financial information.
 - Real-time, secure, scalable, multi-asset clearing and settlement solutions across global currency zones.
- Financial markets
 - Drive simplicity, trust, and efficiency through the establishment of new financial services infrastructure and processes.
 - Transform post-trade value chain, where regulator complexity is low and cost savings or incremental revenue is high.
 - Provide consistent, accurate view of reference data across multiple contributors and consumers.
 - Loan origination and servicing
 - Foreign exchange markets
 - Derivatives markets
 - Record-keeping processes
 - Auditing and corporate compliance
 - Corporate shareholder voting
 - Reducing counterparty risk
 - Cross-border payments

A group of companies like, R3 CEV, Thought Machine already developed Blockchain enabled solutions for the financial industry.

- Healthcare



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- Blockchain for health care would need to be public and include technological solutions for three key elements: scalability, access security, and data privacy.
- When a health care provider creates a medical record (prescription, lab test, pathology result, MRI) a digital signature would be created to verify authenticity of the document or image. The health data would be encrypted and sent to Data Lake for storage. Each time information is saved to Data Lake, a pointer to the health record is registered in the Blockchain along with the user's unique identifier. The patient is notified that health data was added to Blockchain. In the same, fashion a patient would be able to add health data with digital signatures and encryption from mobile applications and wearable sensors.
- Blockchain technology offers many advantages to medical researchers, health care providers, care givers, and individuals. Creation of a single storage location for all health data, tracking personalized data in real-time, and the security to set data access permissions at a granular level would serve research as well as personalized medicine.
- Blockchain-secured health records would make it easier for patients to share data with numerous providers without losing control.
- Travel and Hospitality
 - For travel and hospitality, a shared distributed ledger can improve the settlement process. Blockchain technology supports loyalty points programs that include a more advantageous accounting of liabilities, real-time update, and improved management across franchised operations.
 - There are varied industries such as Media and Telecom, Energy, Public Sector, Insurance etc. where Blockchain can be the solution for the problems we are facing in these industries.



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