

Today's Prelims Topics

EPFO completes rollout of centralised system for pensioners

Context

Employees' Provident Fund Organisation has completed full-scale implementation of the new Centralised Pension Payments System (CPPS) to provide PF pensions under the Employees' Pension Scheme

Key Features of Centralised Pension Payments System (CPPS)

- **Seamless Access to Pension:**
 - Pensioners can now access their pension from **any bank, any branch, anywhere** in the country.
 - Physical verification visits to banks are no longer required.
 - Pension is credited **immediately upon release**.
- **Nationwide Disbursement Without PPO Transfer:**
 - The system eliminates the need to transfer **Pension Payment Orders (PPOs)** when pensioners move or change banks/branches.
 - It will provide relief to pensioners who relocate to their hometowns after retirement.
- **Unified Pension Disbursement:** CPPS replaces the earlier **decentralized system**, where regional EPFO offices maintained agreements with a few banks.

Employees Provident Fund Organisation (EPFO)

- It is a **statutory body** that came into existence under **the Employees' Provident Fund and Miscellaneous Provisions Act, of 1952**.
- The administration of this Act and its associated schemes falls under the purview of a **tripartite body** known as the **Central Board of Trustees, Employees' Provident Fund**.
 - The CBT comprises representatives from various sectors, including the government (both central and state), employers, and employees.
- It is one of the **World's largest Social Security Organisations** in terms of clientele and the volume of financial transactions undertaken.
- It is under the **administrative control of the Ministry of Labour and Employment, Government of India**.

Source:

- [The Hindu - rollout of centralised system for pensioners](#)

Tsangpo Dam - world's largest dam

Context

China has approved the construction of the **world's largest hydropower dam** on the lower reaches of the **Yarlung Zangbo River** (Tibetan name for the Brahmaputra).

About Tsangpo Dam



- **Location:** Medog County, Tibet Autonomous Region, Near **Great U Bend**.
- **Features of the project:**
 - **Planned Capacity:** 60,000 MW.
 - 3 times the electricity generation of the **Three Gorges Dam (currently the world's largest hydro project)**.
 - It will be the world's biggest infrastructure project.
 - **Expected annual electricity generation:** 300 billion kWh.
- **Yarlung Tsangpo River Path:**
 - Originates in Tibet & Enters India in Arunachal Pradesh as **Siang**.
 - **Siang** is joined by **Dibang and Lohit in Assam; together they form Brahmaputra**.
 - After India it flows into Bangladesh and empties into the Bay of Bengal.

Strategic Concerns and Risks

- **Environmental Risks:**
 - The region is seismically active and prone to earthquakes.
 - Large dams can alter river morphology, create earthquakes and displace populations (as seen in the Three Gorges Dam case).
- **Impact on India (Lower Riparian State):**
 - **Water Flow:** Potential reduction in Brahmaputra's flow.
 - **Silt Flow:** Interruption could harm agriculture.
 - **Livelihood:** Millions in Arunachal Pradesh, Assam could be adversely impacted.
 - **Biodiversity:** Changes in river flow may affect ecosystems.

Source:

- [Indian Express - Tsangpo dam](#)

How wild animals are tranquilised

Context

After three weeks of attempts, **three-year-old tigress Zeenat** was sedated and captured in West Bengal's Bankura forest.

Evolution of Wildlife Capture

- **Early Methods:**
 - Before the 20th century, commercial animal catchers used lassos, traps, and pitfalls. These cruel methods often resulted in slaughter of mothers to capture calves.
- **Hague Peace Convention (1899):** It banned Dum-dum bullets (used by the British Army) due to their gruesome effects. This led to experiments like narcotic bullets (1912) to ensure painless animal captures.
- **Invention of Modern Tranquilizer Guns:**
 - In 1956 Colin Murdoch invented disposable plastic syringes and the modern tranquilizer gun.
 - **Components:**
 - Ballistic syringe filled with drugs and tipped with a hypodermic needle.
 - It is propelled using compressed CO2 gas.
 - A feathered tailpiece stabilizes the dart in flight.
 - Dart's barb ensures the full dose is delivered under the skin.
 - **Effective shooting range:** Up to **200 ft** (typically **50 ft for tigers**).
- **Drugs Used in Wildlife Tranquilization:**
 - **M99 (Etorphine):** An opioid stronger than morphine, used for large mammals like elephants.
 - **Xylazine + Ketamine:** Increasing misuse of Xylazine (as Tranq) and Ketamine (as a date-rape drug) has restricted their availability.
 - **Telazol:** A pre-mixed combination of Tiletamine and Zolazepam, becoming a popular alternative.
- **Challenges in Wildlife Sedation:**
 - **Effective tranquilization requires** Close proximity: 50 ft for tigers.
 - A clear line of sight as even minor obstacles can deflect the dart.
 - Precision in estimating the animal's weight to determine the correct dosage.
 - **Risks of Incorrect Dosing:**
 - **Under-dosing:** Leads to ineffective sedation.
 - **Overdosing:** Can endanger the animal's life.

Source:

- [Indian Express - capture and tranquilise in wild](#)

Personality in News

Rani Velu Nachiyar (1730-1796)

- Born in **1730** to King Chellamuthu Sethupathy and Queen Sakandhimuthal of the **Ramnad kingdom** (present-day Tamil Nadu).
- She was Fluent in multiple languages - French, English, Urdu (**polyglot**) and skilled in **military strategy**.
- She is revered as '**Veeramangai**' (**Brave Lady**) of Tamil Nadu.
- In collaboration with **Hyder Ali and Gopala Nayaker**, she waged a war against the British and **claimed back the Sivagangai Kingdom**, which was previously ruled by her husband.
- She created the **first human bomb attack** against British ammunition stores.



Source:

- [PIB- Prime Minister remembers Rani Velu Nachiyar on her birth anniversary](#)

Savitri Bai Phule

- Savitribai Phule, a social reformer, poet & teacher was born on January 3, **1831**, in **Naigaon, Satara District, Maharashtra**.
- She was married to **Jyotira Phule**.
- Savitribai became the **1st Indian woman teacher**.
- Savitribai Phule and Jyotirao Phule opened **India's first school for women in Pune in 1848**.
- She is recognized as a **pioneer of feminism in India** as she fought against dowry and other oppressive social customs.
- In **1852**, she started **Mahila Seva Madal** to promote women rights.
- **Books of Savitri Bai:** Kavya Phule and Bavan Kashi Subodh Ratnakar.



Source:

- [PIB - Prime Minister pays tribute to Savitribai Phule Ji on her birth anniversary](#)

News in Shorts

Logistics Ease Across Different States (LEADS) 2024' Report

- It is released by the **Union Ministry of Commerce**.
- It is the **6th edition** of the LEADS report. (**1st edition- 2018**)
- It provides **actionable insights** for States and UTs to improve logistics infrastructure, services and sustainability.
- Evaluates performance based on **four key pillars**:
 - **Logistics Infrastructure**
 - **Logistics Services**
 - **Operating and Regulatory Environment**
 - **Sustainable Logistics (newly introduced)**
- **Performance Categories: (Achievers, Fast Movers, Aspirers)**
 - **Coastal States - Achievers:** Gujarat, Karnataka, Maharashtra, Odisha, Tamil Nadu.
 - **Landlocked States- Achievers:** Haryana, Telangana, Uttar Pradesh, Uttarakhand.
 - **North-Eastern States- Achievers:** Assam, Arunachal Pradesh.
 - **Union Territories (UTs)- Achievers:** Chandigarh, Delhi.

Source:

- [PIB - Piyush Goyal unveils LEADS 2024' Report](#)

New Chief of DGCA

- Recently Senior IAS officer Faiz Ahmed Kidwai was appointed new Director-General (D-G) of the Directorate General of Civil Aviation (DGCA).

About DGCA

- DGCA is a **statutory body** under **Aircraft Amendment Act, 2020** responsible for regulating civil aviation in India.
- **Nodal Ministry:** Ministry of Civil Aviation.
- **Functions:**
 - Ensure safety, security and efficiency of air transport services in the country.
 - Issuing licenses to **pilots, aircraft maintenance engineers** and other aviation personnel.
 - Conducting **safety audits** and inspections of airlines, airports and aviation-related entities.
 - Investigating **aviation incidents**
 - Representing India in international aviation organizations like the **International Civil Aviation Organization (ICAO)**.

Source:

- [The Hindu - new chief of DGCA](#)

Editorial Summary

India, cross-border insolvency and legal reform

Context

The increase in international trade has intensified the need for effective cross-border insolvency regulation.

What is Cross- Border Insolvency?

- When an insolvent debtor has credit and/or debtors in more than one jurisdiction i.e. in different countries.
- In domestic insolvency proceedings, the Insolvency Professional performs several key tasks.
 - First, they identify the assets owned by the debtor.
 - Next, they determine which creditors are owed money and how much each one is owed.
 - After this information is gathered, the claims are settled based on a priority rule.
- This settlement requires approval from the Adjudicatory Authority.

Insolvency Laws in India

- **Under British Rule:**
 - **Indian Insolvency Act (1848):** The first insolvency law addressing domestic insolvencies.
 - **Presidency-Towns Insolvency Act (1909):** Applied to Calcutta, Bombay, and Madras.
 - **Provincial Insolvency Act (1920):** Governed insolvencies in mofussil regions.
 - **Limitations:** These laws did not address cross-border insolvencies.
- **Post-Independence Period:**
 - Laws remained unchanged despite the Third Law Commission's recommendation in its **26th Report (1964)** for modernisation.
 - Cross-border insolvency discussions gained prominence during the **1990s** with economic liberalisation.
 - Multiple committees recommended adopting the **United Nations Commission on International Trade Law (UNCITRAL) Model Law on Cross-Border Insolvency (1997):**
 - **Erdi Committee (2000).**
 - **Mitra Committee (2001).**
 - **Irani Committee (2005).**
 - The **Insolvency Law Committee** recommended the adoption of the UNCITRAL Model Law in **2018**.
 - **Parliamentary Standing Committee on Finance (2021 and 2024):** Highlighted the need for immediate adoption of the Model Law to address regulatory gap
 - The **Insolvency and Bankruptcy Code, 2016 (IBC)** was introduced as the primary legislation governing insolvency and bankruptcy in India.
 - **Section 234** empowers the Indian government to enter into bilateral agreements with other countries to manage insolvency cases that cross borders.
 - **Section 235** permits Indian courts to seek assistance from foreign courts in handling the assets and affairs of a corporate debtor.
 - **Section 60(5):** Restricts civil courts from exercising jurisdiction over insolvency matters, including cross-border cases.
 - This section leaves the NCLT as the sole adjudicating authority.

UNCITRAL Model Law (1997) on Cross-Border Insolvency: Key Features

- **Access to Foreign Courts:** Allows insolvency practitioners or representatives from one jurisdiction to seek recognition and assistance from foreign courts.
- **Recognition of Foreign Proceedings:** Categorizes foreign proceedings into:
 - **Main Proceedings:** Where the debtor has its **center of main interests (COMI)**.
 - **Non-Main Proceedings:** Where the debtor has an establishment.
- **Relief Measures:** Provides for automatic and discretionary relief to support foreign proceedings, including moratoriums and asset preservation orders.
- **Cooperation Among Courts and Administrators:** Encourages direct communication and cooperation between courts and insolvency practitioners across jurisdictions.
- **Equality in Creditor Treatment:** Ensures fair treatment of creditors regardless of nationality.

Challenges in Cross-Border Insolvency in India

- The provisions in section 234 & 235 of IBC remain unenforceable due to lack of reciprocal arrangements and non-notification by the government.

Key Case Studies

- **State Bank of India vs Jet Airways (2019):** Exposed the inactive status of Sections 234 and 235.
 - Highlighted India's lack of reciprocal arrangements.
- **Jet Airways (India) Limited vs State Bank of India (2019):** Introduced a cross-border insolvency protocol as a temporary solution.

- Absence of a structured framework for cross-border insolvency.
- Reliance on ad hoc protocols increases judicial burden and delays.

Challenges in Implementing the Model Law in India

- **Jurisdictional Limitations:** NCLT's (National Company Law Tribunal's) restricted powers in recognizing and enforcing foreign judgments could hinder implementation.
- **Lack of Reciprocal Agreements:** India needs bilateral agreements to operationalize cross-border insolvency provisions effectively.
- **Judicial Expertise:** Requires capacity-building for judges and insolvency professionals to handle complex cross-border cases.
 - The NCLT faces resource constraints, with judges often handling multiple cases simultaneously. This situation contributes to significant delays in processing insolvency applications.
- **Conflict with Domestic Laws:** Harmonizing the Model Law with existing IBC provisions and other domestic laws is critical.

Reform Recommendations

- **Adopting the UNCITRAL Model Law:** Provides a structured framework for cross-border insolvencies.
 - Reduces delays, transaction costs, and judicial burden.
- **Modernising Communication Between Courts:**
 - **Judicial Insolvency Network (JIN) Guidelines (2016)** and **Modalities of Court-to-Court Communication (2018):**
 - Enhance transparency and efficiency.
- **Expanding NCLT's Powers:** Strengthening its jurisdiction will enable effective cross-border insolvency management.

Source: [The Hindu: India, cross-border insolvency and legal reform](#)

Consumption Still A Concern

Context

Several economic indicators released recently present challenges for the expectations of a growth rebound in the second half of the fiscal year 2024-25, particularly for the October-December quarter.

Facts and Data

- **GDP Growth:** GDP growth slipped to **5.4%** in the second quarter of 2024-25.
- **Bank Credit Growth:** Slowed for the **fifth straight month** in November.
- **Core Infrastructure Sector Growth:** Expanded at a **four-month high pace of 4.3%** in November.
 - Production levels were **3.3% below October** with six of eight sectors operating at lower capacities.
- **Purchasing Managers' Index (PMI):** Factory activity in **November and December 2024** was the **worst through 2024** (fell to 56.4, down from 56.5).
- **Goods and Services Tax (GST) Revenues:**
 - December GST revenues: **₹1.77 lakh crore**, marking a three-month low.
 - Year-on-year growth: **7.3%**, the **joint-second slowest uptick in 3.5 years**.
 - Below-10% growth for the **fourth straight month**.
 - Year-to-date rise in revenues: **8.6%**, making the **11% growth target** challenging.
 - Net revenues after refunds: Grew at just **3.3%**, the slowest this fiscal.
 - Domestic transactions revenue growth: **8.4%**.
 - Import revenue growth: **3.9%**.
- **Goods Import Bill:**
 - November goods import bill: **\$70 billion**, a **27% increase** from previous levels.

Importance of Consumption for Economic Growth

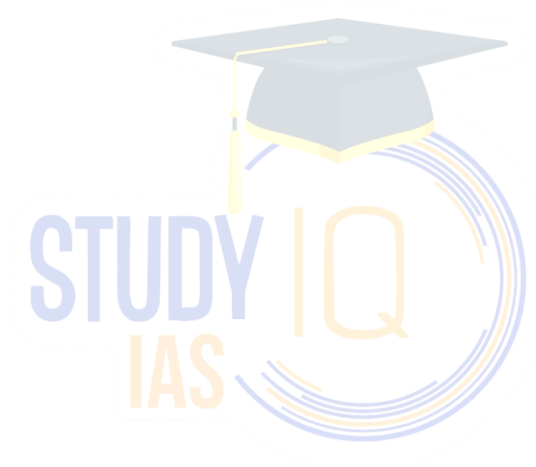
- **Major Driver of GDP Growth:** **Private consumption** accounts for a significant portion of GDP in most economies. In India, consumption contributes nearly **60%** to GDP, directly influencing economic output.
- **Boosts Demand for Goods and Services:** Higher consumption increases demand for goods and services, driving **industrial production** and **service sector growth**, leading to job creation.
- **Encourages Investment:** A surge in consumption creates favorable conditions for businesses to invest in capacity expansion, research, and innovation, fostering economic development.
- **Multiplier Effect:** Spending by consumers generates income for producers and workers, who in turn spend their earnings, creating a **multiplier effect** that amplifies economic growth.
- **Government Revenue:** Higher consumption results in increased revenue through indirect taxes like **GST**, helping governments finance developmental projects and welfare programs.
- **Resilience Against Global Shocks:** Economies with strong domestic consumption are less dependent on external factors like exports, making them more resilient to global uncertainties.

Actions the Centre and RBI Can Take to Boost Consumption

- **Address Inflation:** Contain rising prices to protect purchasing power.
- **Enhance Credit Flows:** Ensure easier access to retail credit, enabling consumers to spend more.
- **Stimulate Urban Demand:** Focus on incentives for urban households to counter post-festive spending slowdowns.
- **Support Rural Demand:** Strengthen rural incomes through targeted programs and minimum support price (MSP) adjustments.
- **Create Employment:** Focus on job creation, as stable employment boosts consumer confidence and spending.

- **Focus on Consumption-Oriented Policies:** Reduce indirect tax burdens and provide targeted subsidies to lower-income groups to spur consumption.

Source: [The Hindu: Losing Momentum](#)



With global instability, India needs harmony to shore up its economy

Context

The year proved difficult for current administrations globally, with many governments facing backlash due to economic issues and political dissatisfaction.

Political Upheavals in Different Countries (2024)

- **South Asia**
 - **Bangladesh:** Sheikh Hasina returned to power in January but was ousted by student protests in August, forcing her to flee the country.
 - **Sri Lanka:** September elections replaced traditional parties, bringing the National People's Power to power.
- **East Asia**
 - **South Korea:** The ruling People Power Party was defeated by the Democratic Party in April.
 - The year ended with an emergency imposed by the president and calls for his impeachment.
 - **Japan:** The Liberal Democratic Party (LDP) suffered major losses in October, failing to secure a parliamentary majority even with its coalition partner Komeito.
 - An unstable coalition is now led by Prime Minister Shigeru Ishiba.
- **Africa**
 - **South Africa:** May elections ended the African National Congress (ANC)'s dominance, forcing it into a coalition for the first time.
- **Europe**
 - **France and Germany:** Right-wing parties rose dramatically in national and European Parliament elections in June.
 - French President Emmanuel Macron called snap elections to stem the right-wing tide, causing political instability.
 - **United Kingdom:** The Conservative Party suffered a historic defeat in July, bringing the Labour Party back to power after 14 years.
- **United States:** Donald Trump returned to power with a massive popular mandate, defeating Kamala Harris and securing a Republican majority in Congress.

Economic Context of India

- **GDP Growth:** India registered a GDP growth rate of above 7% in recent years, bouncing back strongly after the COVID-19 pandemic.
 - The World Bank revised India's GDP growth forecast for FY 2025 to **7%**, up from an earlier projection of 6.6%.
- **Global Comparison:** India is set to remain the **fastest-growing major economy**, outpacing China, which reported a 4.7% growth rate.
- **Debt and Deficit:** Debt-to-GDP ratio reduced from **83.9% to 82%**.
 - The current account deficit is expected to remain low, between **1% and 1.5% of GDP**, for the next couple of years.

Challenges

- Persistent issues include **unemployment, stagnant exports, and low private and corporate investment levels**.
- Inflation remains a concern, affecting consumption and demand.
- Public investment is robust, contributing significantly to GDP growth.

- However, private sector participation remains underwhelming, requiring immediate remedial action.
- Political stability and social harmony are deemed essential for achieving economic objectives.
 - Historical examples from countries like China and Singapore illustrate that consistent growth is linked to stable governance.
 - In contrast, India has struggled to maintain high growth rates since independence.

Future Outlook

- **Growth Trajectory:** With consistent growth and reforms, India is expected to sustain its position as a global economic bright spot.
- **Key Drivers for Growth:**
 - **Public Infrastructure Investments:** Continued focus on roads, railways, energy, and rural development.
 - **Export Diversification:** Strengthening global trade ties to support manufacturing and export growth.
 - **Startup Ecosystem:** Leveraging innovation through programs like **Startup India** and focus on emerging sectors (AI, fintech, and renewable energy).
- **Employment and Skill Development:** Tackling unemployment through **labor-intensive industries** and expanded skill programs to equip the workforce for a digital future.
- **Private Sector Revival:** Policy incentives to encourage private sector and corporate investments.
 - Tax reforms and simplified regulations to boost industrial expansion.
- **Global Positioning:** Stronger Free Trade Agreements (FTAs) and strategic economic diplomacy to diversify export markets and reduce dependency on traditional partners.
- **Social and Political Stability:** Maintaining social harmony and avoiding disruptions to economic activities are considered essential to achieving sustained growth.

Source: [Indian Express: Year of the Economy](#)

Transition to Electric Vehicles (EVs) in Delhi

Context

Delhi faces severe air pollution, with the transport sector being the single largest contributor. Studies highlight the significant health and economic costs associated with pollution, particularly due to PM 2.5 emissions, which lead to premature deaths and high healthcare expenses.

Current Scenario

- **Transport Sector Emissions:**
 - Accounts for **48.37 Gg** of PM 2.5 annually.
 - **Cars (32.44% of fleet):** Contribute **25.54% of emissions**.
 - **Commercial Vehicles (2.56% of fleet):** Responsible for **39% of emissions**.
 - **Two-wheelers (61.84% of fleet):** Relatively low emissions share.
- **Crop Burning:** Seasonal impact has reduced in recent years, but air quality remains poor.
- **CNG Transition:** Adopted two decades ago, it reduced pollution but emits NOx and secondary PM under specific conditions.

Impact of EV Transition

A complete shift to EVs in Delhi can result in:

- **Reduction in Pollution and Health Benefits:**
 - **40% drop** in PM 2.5 concentration.
 - **25.7% decrease** in mortality-related costs.
 - **25% reduction** in per capita healthcare costs.
 - **6% decline** in economic costs from pollution-related diseases.
 - Savings of approximately **₹11,000 crore** annually.
- **Partial Interventions:** Converting cars older than 15 years to EVs:
 - **9% reduction** in PM 2.5.
 - **6% reduction** in healthcare costs.
- **Climate and Health Synergy:** Lower disability-adjusted life years (DALYs) due to reduced mortality and morbidity.

Policy Measures and Incentives

- **Delhi's EV Policy (2020–2025):**
 - **Subsidies:** Up to **₹30,000** for two-wheelers.
 - Up to **₹1.5 lakh** for electric cars (based on battery capacity).
 - **Infrastructure Development:** Installation of **25 new charging stations**.

Challenges

- **High Costs:** EVs are expensive compared to conventional vehicles.
- **Infrastructure Deficiency:** Limited charging stations and slow charging speeds.
- **Dependency on Imports:** Lithium-ion and other battery materials are largely imported, raising costs and environmental concerns.
- **Consumer Awareness:** Limited understanding of EV benefits among the public.

Future Outlook

Short-Term Goals (2025): Gradual adoption starting with high-pollution segments (e.g., commercial vehicles, older cars).

Increase public awareness campaigns and improve charging infrastructure.

Long-Term Goals: Achieve a full EV transition to mitigate climate concerns, reduce healthcare costs, and improve air quality.

Source: [Indian Express: A Win-Win For Environment](#)