

## Today's Prelims Topics

### CCEA approves hike in ethanol procurement price

#### Context

The Cabinet Committee on Economic Affairs (CCEA) has revised the ethanol procurement price for public sector oil marketing companies (OMCs) from ₹56.58 per litre to ₹57.97 per litre. It has been done under the **Ethanol Blended Petrol (EBP) Programme**.

#### About Ethanol Blended Petrol Programme (EBP)

- It is an initiative of the **Union Ministry of Petroleum and Natural Gas** to increase the use of ethanol in petrol.
- It is implemented throughout India **except** Andaman Nicobar and Lakshadweep islands.
  - As Oil Marketing Companies (OMC's) here sell petrol blended with **10% ethanol**.
- **Target:** To blend 20% ethanol with petrol (E20) by 2025. (Previous Target- 2030)
- **Objectives of the Programme:**
  - Reducing the country's dependence on crude oil imports
  - Conserving foreign exchange
  - Boosting the domestic agriculture sector
  - Increasing value addition in the sugar industry.



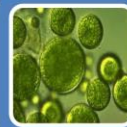
#### 1<sup>st</sup> Generation Biofuel

- It has **High Carbon Content**.
- Made from Edible Items. Eg- Sugar, Corn, Starch etc.



#### 2<sup>nd</sup> Generation Biofuel

- **Greenhouse Gas content less than 1<sup>st</sup> Generation Biofuel**
- Made from leftover of Food Crops. Eg- Rice Husk, Wood Chips etc.



#### 3<sup>rd</sup> Generation Biofuel

- It is **Carbon Neutral** in. (CO<sub>2</sub> Emitted = CO<sub>2</sub> Sequestered)
- Produced using Microorganisms. Eg- Algae



#### 4<sup>th</sup> Generation Biofuel

- Made from 'Genetically Engineered Crops'.
- They are **Carbon Negative**.

#### About Ethanol

- It is a clear, colourless, and flammable liquid. It is also known as Ethyl Alcohol (C<sub>2</sub>H<sub>5</sub>OH)
- Ethanol is produced through the fermentation of sugars by yeast or other microorganisms.
- Once blended, ethanol cannot be separated from the petrol.
- As the ethanol molecule contains oxygen, it allows the engine to more completely combust the fuel, resulting in fewer emissions and thereby reducing the occurrence of environmental pollution.
- It has a **higher octane number than gasoline**, hence improving the petrol octane number.

#### Source:

- [The Hindu - hike in ethanol procurement price](#)

## Economic Community of West African States (ECOWAS)

### Context

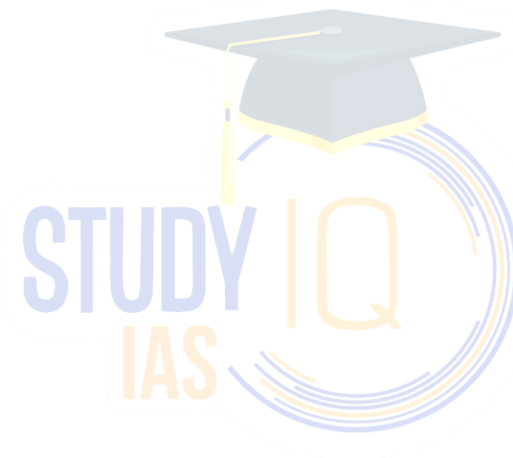
Junta-led countries Mali, Niger and Burkina Faso officially left West Africa's main political and trade group ECOWAS.

### About ECOWAS

- ECOWAS is a political and economic union of 12 West African countries.
- It was established by the **Treaty of Lagos in May 1975. (HQ- Abuja, Nigeria).**
- Citizens of ECOWAS countries have the **right to live and work in all member states**, along with free circulation of goods.
- **Objectives:**
  - To achieve "collective self-sufficiency" for its member states by creating a single large trade bloc.
  - To raise living standards and promote economic development.
  - To have a **single common currency**
- **Members: 12 (After withdrawal of Mali, Niger & Burkina Faso)**
  - Benin, Cape Verde, Cote d' Ivoire, Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Nigeria, Sierra Leone, Senegal and Togo.

### Source:

- [The Hindu - ECOWAS](#)



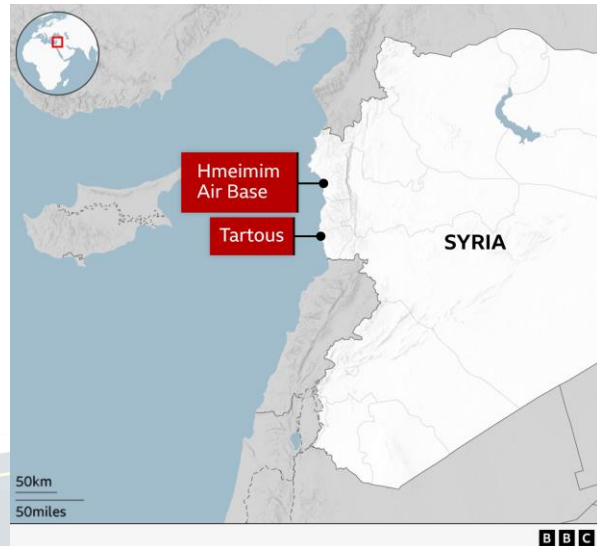
## Russia-Syria Talks on Military Bases and Assad's Fate

### Context

Recently Russia held discussions with Syria's new de facto leader, Mohammed al-Jolani (Ahmed al-Sharaa), regarding the future of its military bases in Syria.

### Russia's Military Presence in Syria

- Russia operates two key military bases in Syria:
  - Tartous (Naval Base)
    - It is located on Syria's Mediterranean coast.
    - It is Russia's only warm-water naval base outside its territory.
    - It provides logistical support for Russian warships operating in the Mediterranean.
  - Hmeimim Air Base (Near Latakia)
    - It is a Strategic airbase used by Russian forces since 2015.
    - It is located in Latakia Governorate.
    - Russia launched airstrikes from here during Syria's civil war to support Assad.
- Syria's Demands from Russia:
  - Extradition of Bashar al-Assad to Syria.
  - Compensation, reconstruction, and recovery assistance from Russia to rebuild trust.



### Source:

- [The Hindu - Russia, in bid to retain military bases](#)

## PM Surya Ghar - Muft Bijli Yojna

### Context

Around 8.5 lakh households have installed rooftop solar connections under PM Surya Ghar Yojna.

### About PM Surya Ghar Yojna

- **Launched:** February 15, 2024
- **Objective:** To provide free electricity to one crore households by facilitating the installation of rooftop solar electricity systems.
- **Nodal Ministry:** The Ministry of New and Renewable Energy (MNRE)
- **Implementation Agency:** Rural Electrification Corporation (REC)

### Key Features of the Scheme

- **Free Electricity Provision:** Eligible households will receive up to 300 units of electricity free every month.
- **Subsidy:** The scheme offers a subsidy of up to 60% of the cost of solar panels for systems up to 2 kW capacity, and 40% for systems between 2 to 3 kW capacity. The subsidy is capped at 3 kW capacity.
  - i.e. ₹30,000 subsidy for a 1-kW system, ₹60,000 for 2-kW systems and ₹78,000 for 3-kW systems or higher.
- **Model Solar Villages:** The scheme aims to create one model solar village in each district of India to promote solar energy adoption.
  - **Eligibility criteria for a village to be considered for Model Solar Village:**
    - **For normal states & UTs:** must be a revenue village with a population of more than 5,000 as per latest census.
    - **For Himalayan & North-Eastern States & UTs of A & N and Lakshadweep:** Revenue villages with a population size of more than 2,000 as per latest census.
- **Incentives for Urban Local Bodies and Panchayati Raj Institutions:** These institutions will receive incentives to promote rooftop solar installations in their areas.

### Source:

- [The Hindu - Rooftop Solar scheme](#)

## Cabinet approves Critical Minerals Mission

### Context

The Union Cabinet has approved 'National Critical Mineral Mission' to build a resilient Value Chain for critical mineral resources

### About National Critical Minerals Mission (NCMM)

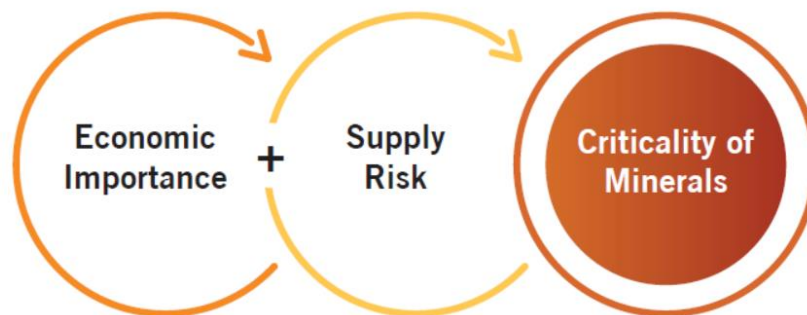
- It is a strategic initiative announced in the **Union Budget 2024-25** to help India become **self-reliant** in critical minerals.
- The government has **waived customs duty** on 25 critical minerals and blister copper.
- **Objectives of the Mission:**
  - **Streamline the supply chain** of critical minerals by boosting domestic output and recycling of critical minerals like copper and lithium.
  - **Reduce India's import dependency** on critical minerals, which is currently 100% for some elements
  - Identify critical minerals and plan for their **acquisition and preservation**.
  - **Increase India's capacity for refining and processing** critical minerals and find substitutes for critical minerals through R&D.

### Key Features of NCMM

- **Total Outlay: ₹34,300 crore over seven years**
  - ₹16,300 crore government expenditure
  - ₹18,000 crore investment from **PSUs** and private sector
- **Strengthening Domestic Exploration and Mining:**
  - **Exploration, mining, beneficiation, processing and recycling**
  - Targets **1,200 critical mineral exploration projects** by 2030-31
  - Plans to **auction over 100 mineral blocks**
- **Establishing Infrastructure & Research Facilities:**
  - **4 Mineral Processing Parks** planned.
  - Setting up a **Centre of Excellence on Critical Minerals**
  - ₹1,000 crore from **Anusandhan National Research Foundation (ANRF)** for R&D.

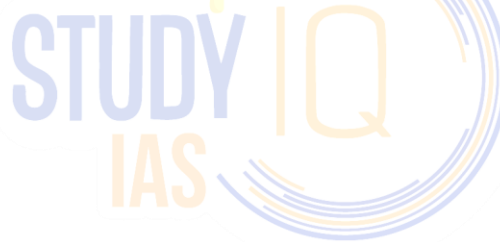
### What are Critical Minerals?

- They are mineral resources, **both primary and processed**, that are essential inputs in modern technologies, economies, and national security.
- They are characterised **by the risk of supply chain disruption due to non-availability and price volatility**.
- Recently the Union Government has released a list of **30 critical minerals**.
- These minerals are Antimony, Beryllium, Bismuth, Cobalt, Copper, Gallium, Germanium, Graphite, Hafnium, Indium, Lithium, Molybdenum, Niobium, Nickel, PGE, Phosphorous, Potash, REE, Rhenium, Silicon, Strontium, Tantalum, Tellurium, Tin, Titanium, Tungsten, Vanadium, Zirconium, Selenium, and Cadmium



### Source:

- [Indian Express - Cabinet approves critical minerals mission](#)



## Complete ban on practice of Manual Scavenging

### Context

SC has ordered complete stop on practice of manual scavenging in six metros - Delhi, Mumbai, Chennai, Kolkata, Bengaluru and Hyderabad.

### About Manual Scavenging

- **The Employment of Manual Scavengers and Construction of Dry Latrines (Prohibition) Act, 1993** defines 'manual scavenger' as "a person engaged in or employed for manually carrying human excreta".
- Manual scavenging undermines SDGs related to **clean water and sanitation** (Goal 6), **decent work and economic growth** (Goal 8), **reduced inequalities** (Goal 10) and **peace, justice and strong institutions** (Goal 10).



### National commission on Safai Karmchari (NCSK)

- It was constituted in August 1994 as a statutory body under National Commission for Safai Karmcharis Act, 1993, for a period of 3 years.
- With the lapsing of the 1993 Act in 2004, the Commission is acting as a **Non-Statutory body** under the **Ministry of Social Justice and Empowerment**, its tenure is extended from time to time through Government Resolutions.
- It aims to improve the status of Safai Karmcharis or manual scavengers in India.
- NCSK recommends programs to the Central Government to reduce inequalities in status, opportunities and facilities for Safai Karmcharis .

For More Information: Visit - [STUDY IQ](#)

Source:

- [The Hindu - Manuel Scavenging](#)

## News in Shorts

### Reverse Flip

- Quick commerce unicorn Zepto has completed a reverse flip from Singapore to India ahead of its planned initial public offering (IPO).

### About Reverse Flip

- Reverse Flip is the term used to describe the trend of overseas start-ups shifting their domicile to India and listing on Indian stock exchanges.
- It refers to a situation where a company, particularly an Indian startup, that was initially established overseas for easier fundraising and regulations, decides to move its legal headquarters and ownership back to India,
- **Reasons:**
  - To capitalize on India's large and growing economy
  - Venture capital access
  - Favourable tax regimes and favourable government policies. etc.

### Source:

- [Business Standard - Reverse Flip Zepto](#)

### Credit Guarantee Scheme for MSME's

- The government has approved the **Mutual Credit Guarantee Scheme for MSMEs (MCGS-MSME)**, announced in the **FY25 Budget**, two days before the presentation of the **Union Budget 2025-26**.
- The scheme aims to **facilitate collateral-free loans for micro, small, and medium enterprises (MSMEs)** by providing **credit guarantee coverage for loans up to ₹100 crore**.
- **National Credit Guarantee Trustee Company Limited (NCGTC)** will provide **60% guarantee coverage to Member Lending Institutions (MLIs)**.

### Key Features of the Scheme

- **Loan Coverage & Eligibility:**
  - MSMEs can avail of loans up to ₹100 crore for purchasing equipment and machinery.
  - The **minimum cost of equipment/machinery must be 75%** of the total project cost.
  - MSMEs must have a **valid Udyam Registration Number** to be eligible.
- **Repayment Period & Moratorium:**
  - Loans **up to ₹50 crore: Repayment period of up to 8 years**, with a **2-year moratorium** on principal installments.
  - Loans **above ₹50 crore: Higher repayment schedule and moratorium period can be considered**.
- **Guarantee Fee & Initial Contribution:** **5% initial contribution of the loan amount** is required at the time of application.
- **Scheme Duration:** The scheme will apply to loans sanctioned under MCGS-MSME **for four years** from the date of **operational guidelines issuance** or until **₹7 lakh crore** in guarantees are issued.

### Source:

- [Indian Express - MSME](#)

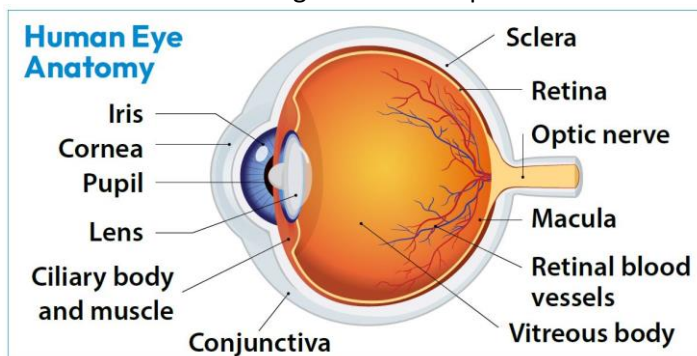


### Inherited Retinal Diseases (IRDs)

- IRDs are a group of genetic conditions that can cause vision loss or blindness.
- They are caused by mutations in genes that control the function of the retina.
- Retinal diseases are disorders that affect the **retina**.
- **Prevalence of IRDs:**
  - **Global cases:** Estimated 5.5 million people, with a prevalence rate of 1 in 3,450.
  - **India (High prevalence):** 1 in 372 in rural South India & 1 in 930 in urban South India.

### Retina

- It is a light-sensitive layer of tissue at the back of the eye that converts images into electrical signals that the brain can process.
- **How it works:**
  - Light passes through the eye's lens and focuses on the retina.
  - Photoreceptor cells in the retina convert light into coded signals.
  - The retina sends these signals along the optic nerve to the brain.
  - The brain decodes the signals and interprets them as vision.



### Source:

- [The Hindu - Retinal diseases](#)

### Legal Aid Defense Counsel System (LADCS)

- LADCS is a program that provides free legal assistance to accused people in criminal cases.
- It is funded by the **National Legal Services Authority (NALSA)**.
- **Target Beneficiaries:**
  - Poor and marginalized individuals
  - People in custody (undertrials, convicts, juvenile offenders)
  - Women and children in distress
  - Victims of human trafficking

### Key Features

- **Full-Time Legal Aid Defense Counsel (LADC):**
  - Appointed at the district level
  - Handles criminal cases from start to finish (pre-trial, trial, appeals, bail, etc.)
- **Free Legal Representation:** Legal aid provided at all stages of a criminal case, including investigation, trial, and appeal.
- **24x7 Assistance:** LADCS lawyers assist in police stations, jails, and courts.
- **Confidential & Professional Representation:** Ensures quality defense similar to private legal representation.

### Source:

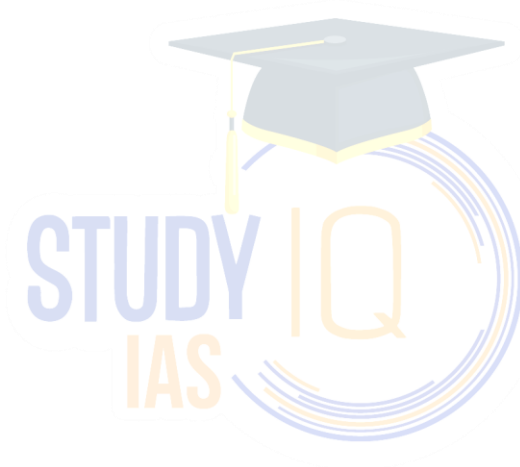
- [The Hindu - Schemes to look out on Budget day](#)

### Mission Anveshan

- It is a project of the Union Govt. to explore the country's sedimentary basins.
- The project aims to build a geoscientific database and improve seismic coverage of the basins.
- It is a phased implementation of the **National Seismic Programme (NSP)**.
- **Nodal Ministry:** Ministry of Petroleum and Natural Gas
- **Significance:**
  - Mission Anveshan will help to improve the country's understanding of its sedimentary basins.
  - It will help to build a reliable database that can be used for future exploration and licensing.

**Source:**

- [The Hindu - Schemes to look out on Budget day](#)



## Editorial Summary

### The Copyright Conundrum In Carnatic Music

#### Context

- During the recent Margazhi season in Chennai, a significant focus has emerged on the intersection of copyright law and Carnatic music.
- While rasikas (music connoisseurs) attended numerous concerts, they were reminded of the legal restrictions against unauthorized recordings imposed by performance venues, known as sabhas.

#### Copyright Rules in India

- The Indian Copyright Act, originally enacted in 1914 and revised in 1957.
- In India, copyright in music is governed by the **Copyright Act, 1957**, which defines the rights of various stakeholders involved in musical compositions and performances.
- It has often been criticized for its colonial roots, which fail to accommodate the unique characteristics of Indian classical music.

#### Who Enjoys These Rights

- **Composer and Lyricist Rights:** The composer (who creates the melody) and the lyricist (who writes the lyrics) hold copyright over their respective works for **their lifetime plus 60 years** after their death.
  - Their rights include control over reproduction, distribution, public performance, adaptation, and translation.
- **Sound Recording Rights (Mechanical Rights):** When a song is recorded, a separate copyright is created over the recording.
  - This right is held by the entity that records the song (often a record label) and lasts for **60 years from the year of recording**.
  - The recording owner has the right to commercially exploit the recorded version.
- **Performers' Rights:** Singers, instrumentalists, and other musicians who participate in a live performance have a **performer's right**, which lasts for **50 years** from the date of performance.
  - They have the right to forbid unauthorized recordings and claim royalty if their performance is recorded, streamed, or sold.

#### Challenges for Rasikas (Listeners) in Copyright Compliance

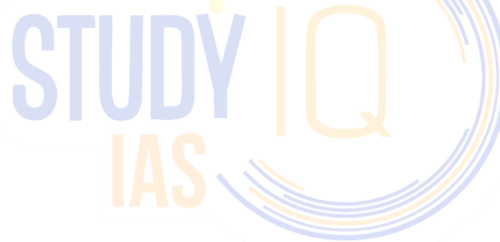
- **Restrictions on Recording:** Many sabhas (concert venues) explicitly forbid audience members from recording performances, but enforcement is inconsistent.
  - Unauthorized recordings posted online violate performers' rights and deprive musicians of commercial benefits.
- **Unclear Copyright Protection for Improvisations:** Carnatic musicians often introduce improvisations (manodharma) that add originality to their performances.
  - However, Indian copyright law does not clearly recognize these as distinct creative works, leaving them unprotected.
- **Public Domain Confusion:** Many classical compositions (e.g., by Tyagaraja Swami and Purandara Dasa) are in the **public domain**, allowing anyone to perform them.
  - However, the unique style and modifications by modern artists do not receive copyright protection, even though they add significant artistic value.
- **Difficulty in Claiming Royalties:** Unlike in the film music industry, Carnatic musicians struggle to monetize their recordings and performances due to weak enforcement of performers' rights.

- Many performances are uploaded online by third parties without consent, making it difficult for artists to earn revenue from digital streaming platforms.

#### What Can Be Done?

- **Legal Reform for Improvisations:** The **Copyright Act** should be amended to recognize and protect significant improvisations in classical performances as distinct creative works.
  - Musicians should be able to register their unique interpretations and claim rights over them.
- **Stronger Enforcement of Performers' Rights:** Concert venues should implement stricter policies against unauthorized recording and take legal action against violators.
  - Musicians should have a structured system to claim royalties from YouTube, Spotify, and other streaming platforms.
- **Digital Copyright Tracking:** Blockchain or AI-based tracking systems could help **monitor and prevent unauthorized uploads** of Carnatic concerts.
  - Digital rights management (DRM) tools can be used to ensure musicians are credited and compensated.
- **Rasika Awareness & Ethical Listening:** Fans and audiences should be educated on copyright laws and ethical listening practices.
  - Initiatives can be taken to encourage purchasing legitimate concert recordings instead of resorting to unauthorized online versions.
- **Collaborative Licensing Model:** Sabhas, musicians, and digital platforms can collaborate on a fair licensing model, ensuring that performers receive due credit and revenue from digital streams.

Source: [The Hindu: The copyright conundrum in Carnatic music](#)



## How Can The Budget Arrest Growth Decline?

### Context

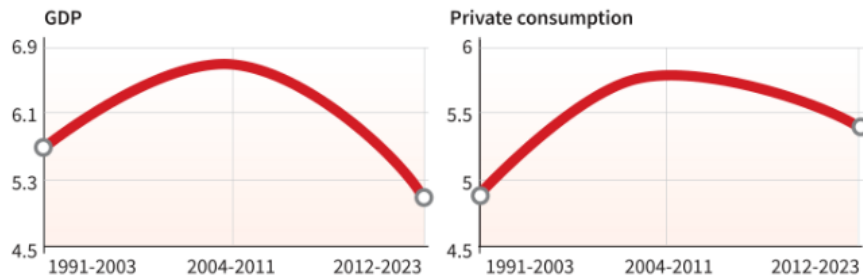
Recent **provisional GDP estimates** indicate a **lower-than-expected growth rate**, contrary to earlier government projections.

### Analysis of Post-Reform Economic Phases

The post-1991 economic reform period can be divided into three distinct phases:

**Chart 1:** The growth of GDP and consumption since 1991

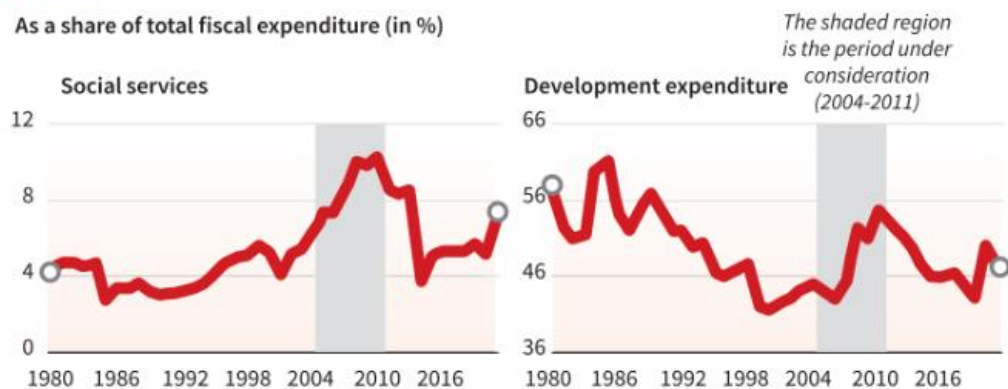
Compounded annual growth rate in real terms (in %)



- 1991-2004:** Moderate growth, rising income inequality.
  - 2004-2011:** **High growth phase** with a decline in absolute poverty, increased **state intervention through rights-based legislation and welfare schemes**.
  - 2011-2023:** Economic slowdown, especially since 2019, due to **demonetization (2016), GST (2017), and COVID-19 lockdowns (2020)**.
- **Inverted U-shaped growth curves for GDP and private consumption** across these three phases highlight the decline in recent years.
  - There's a **sharp rise in social services and developmental expenditure** during 2004-2011.

**Chart 2:** Social sector and development expenditures

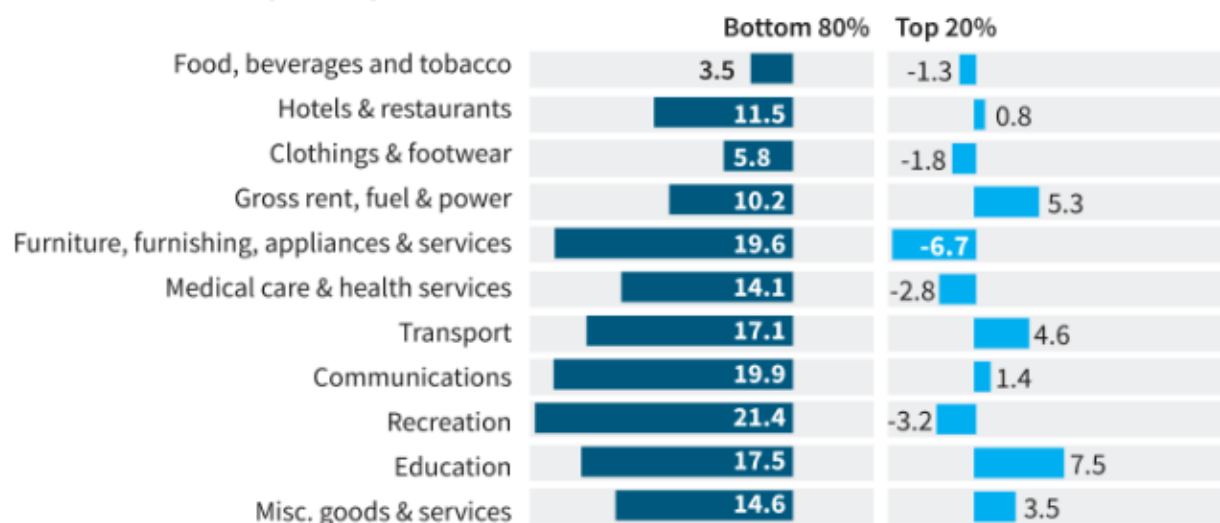
As a share of total fiscal expenditure (in %)



- **Consumption among the bottom 80% increased**, reducing the **top 20%'s share in total consumption**.

**Chart 3:** Growth in consumption during 2004-2011

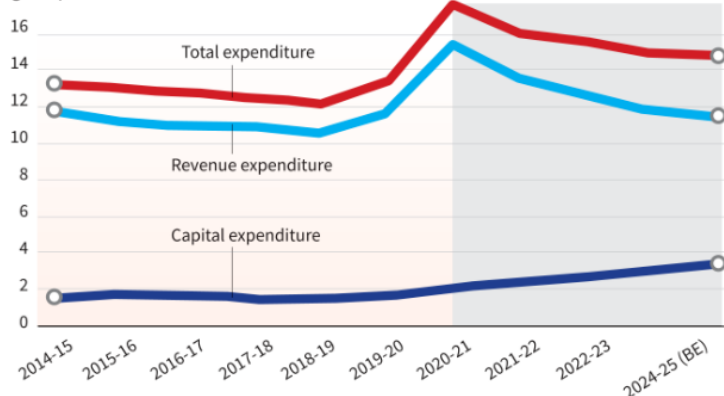
CAGR of real consumption expenditure between 2004 and 2011 (in %)



- The recent government policies have **focused primarily on capital expenditure** while reducing revenue expenditure.

**Chart 4:** The NDA government's changing priorities

Budget expenditure as a % of GDP



### Recent Government Responses to Economic Slowdown

Acknowledging the slowdown, the government has primarily focused on capital expenditure aimed at stimulating private investment. However, this strategy has not yielded significant results:

- Despite tax cuts from 30% to 22% in 2019, private investment remains stagnant.
- Current economic conditions indicate that firms are reluctant to invest when existing capacities are underutilized.

### Future Proposals for Economic Revival

To address the ongoing slowdown, a two-pronged strategy is recommended:

- **Increase Revenue Expenditure:** Prioritize social sector spending to enhance income for workers, thereby generating higher demand and stimulating private investment.
- **Focus on Labour-Intensive Capital Projects:** Ensure that capital expenditure is directed toward projects that create jobs and have higher multipliers.

**Source:** [The Hindu: How can the Budget arrest growth decline?](#)

## India- China Thaw

### Context

In a significant diplomatic development, **India and China** have agreed on several confidence-building measures aimed at improving bilateral relations.

### What are Recent Developments?

- **Resumption of Kailash Mansarovar Yatra (Summer 2024):** The pilgrimage to **Mount Kailash and Mansarovar Lake** in Tibet, a sacred site for Hindus, Buddhists, and Jains, will resume after being suspended since **2020 due to COVID-19 and border tensions**.
- **Restoration of Direct Flights:** Direct flights between **New Delhi and Beijing** will be re-established, improving people-to-people and business ties. Air connectivity was disrupted due to **COVID-19 restrictions and strained diplomatic relations**.
- **Issuance of Visas for Journalists & Think Tanks:** Both countries will begin issuing visas for **journalists and members of think tanks**, promoting academic and media exchanges. This move signals a **desire for greater engagement and transparency**.
- **Sharing Trans-Border River Data:** China will continue sharing **hydrological data on transboundary rivers** like the **Brahmaputra and Sutlej**, crucial for India's **flood management and water resource planning**.
  - Data-sharing agreements had faced **disruptions amid border tensions** in recent years.

### Significance of These Measures

- Indicate a **thaw in strained relations** post-2020 **Galwan clash**.
- Promote **people-to-people engagement** and **trade recovery**.
- Reflect diplomatic efforts to **prevent further deterioration** while border tensions remain unresolved.

### Historical Context of Diplomatic Relations

India-China relations have been characterized by:

- **Summitry:** Regular high-level meetings between leaders.
- **Border Negotiations:** Ongoing discussions on territorial settlements for over 30 years.
- **Confidence-Building Measures (CBMs):** To prevent military clashes at the **Line of Actual Control (LAC)**.
  - **Galwan (2020) was an exception** where fatalities were relatively low.
- **People-to-People (P2P) Ties & Trade:** Tourism, cultural, academic links, and economic exchanges were encouraged.
  - **Thousands of Indian students study in China**, experiencing **affordable, high-quality education**.

Before the Galwan incident, these elements contributed to a stable diplomatic environment, with thousands of Indian students studying in China and engaging in cultural exchanges.

### Factors Driving the Current Thaw

Three critical factors are influencing the renewed engagement between India and China:

- **Economic Interdependence:** India's economy has stabilized at a growth rate of around 7% annually, while China's growth has slowed to approximately 5%.
  - Both countries recognize the need for each other's markets; Indian businesses require Chinese products in sectors like pharmaceuticals and electronics, while China seeks to diversify its markets amid Western protectionism.
- **Military Stalemate:** Following the Galwan clash, both nations have maintained significant military deployments along their disputed borders, incurring substantial costs.

- Given the geographical challenges, neither side can achieve a decisive victory, leading to a mutual interest in de-escalation.
- **Political Considerations:** Both countries are wary of U.S. influence in their respective regions.
  - India and China aim to enhance their bargaining power with Washington by demonstrating strategic autonomy and signaling potential partnerships.

### Recent Developments in Diplomatic Engagement

In late 2024, significant diplomatic steps were taken:

- **Military Disengagement:** An agreement was reached to complete military disengagement along disputed borders and establish buffer zones.
- **High-Level Meetings:** The first formal meeting between Prime Minister Narendra Modi and President Xi Jinping since 2019 occurred at the BRICS summit in Kazan.
- **Resumption of Dialogue:** Special Representative talks on territorial disputes resumed after a five-year hiatus, discussing a return to previous agreements.

### Challenges Ahead

Despite the positive developments, several challenges remain:

- **Historical Tensions:** Previous confrontations since 2010 (e.g., Depsang, Doklam, Galwan) indicate that territorial disputes are complex and difficult to resolve.
- **Mutual Distrust:** Both nations harbor concerns about each other's foreign policies and military ambitions, particularly in light of U.S.-China tensions.
- **Strategic Equilibrium:** The need for a new understanding or equilibrium between India and China is crucial as their material capabilities have evolved significantly since their last agreements.

### Sources:

- [Indian Express: India-China diplomatic thaw: what the fine print of their statements reveals](#)
- [Indian Express: A Much Needed Thaw](#)