

VAJIRAM & RAVI Institute for IAS Examination

# The Analyst

# **CURRENT AFFAIRS** Handout

# 4th February 2025

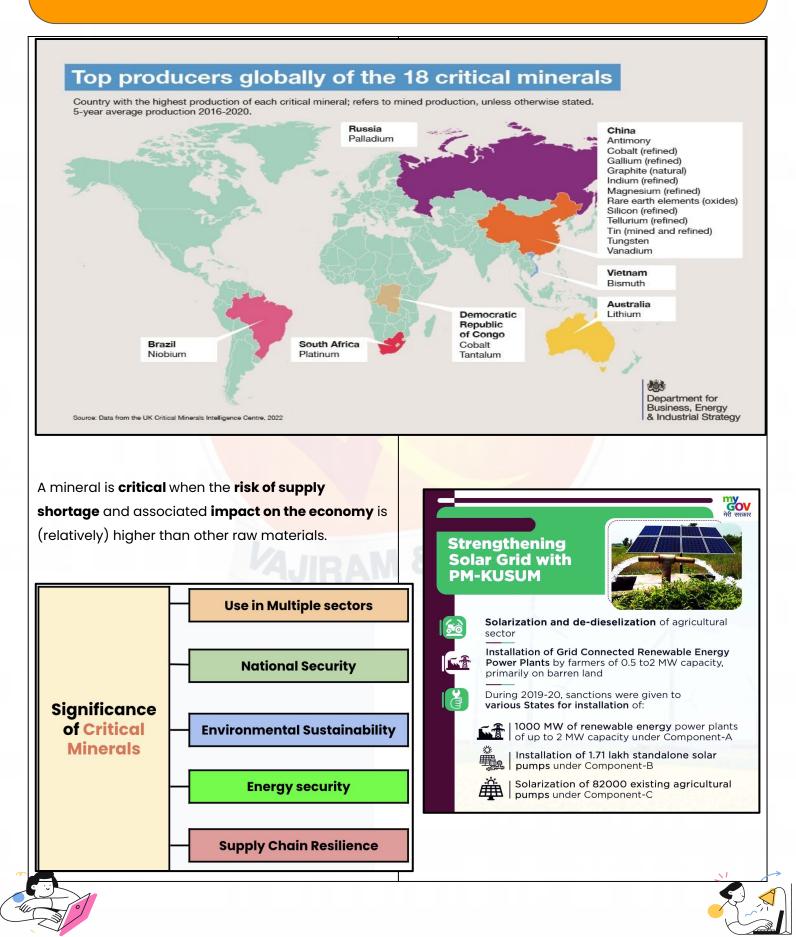
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### The Analyst Handout 4th February, 2025

# **Green and clean**



**CONTEXT:** India must formulate a critical minerals framework.

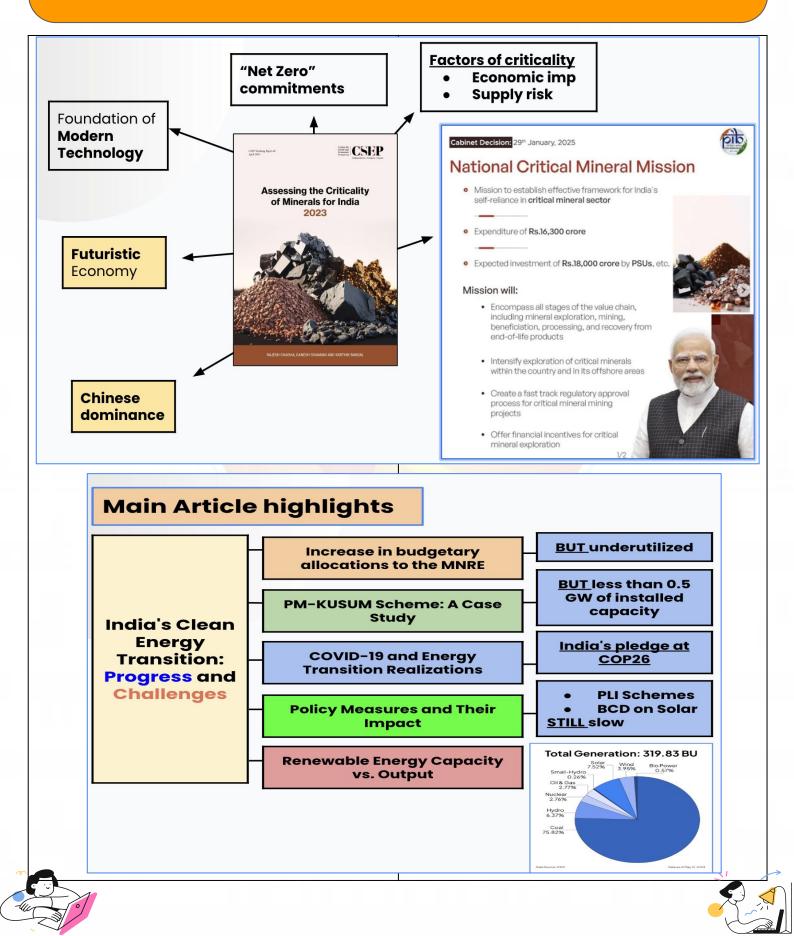


# **Green and clean**



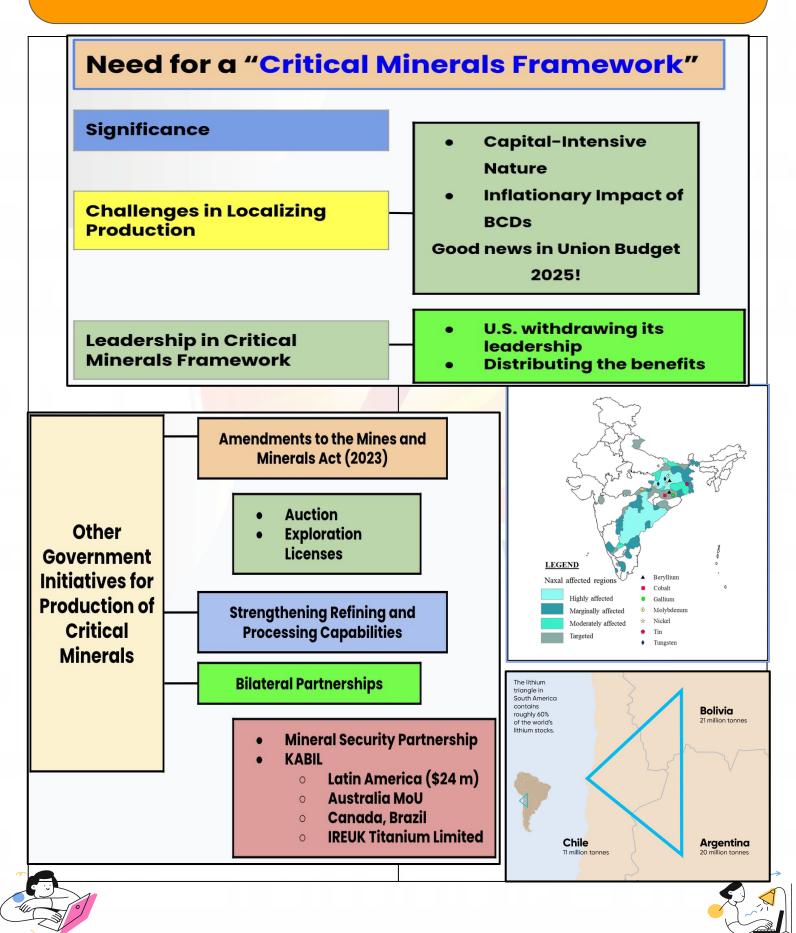
4th February, 2025

### **<u>CONTEXT</u>**: India must formulate a critical minerals framework.





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# **Green and clean**



4th February, 2025

#### **CONTEXT**: India must formulate a critical minerals framework.

#### **Key Recommendations**

- Address implementation bottlenecks
- Invest in Grid-Scale Battery Storage
- Promote Domestic Manufacturing
- Africa's Role
- Just and Equitable CM Framework

#### Premils PYQs

#### Q.1 Consider the following minerals:

- 1. Bentonite
- 2. Chromite
- 3. Kyanite
- 4. Sillimanite

# In India, which of the above is/are officially designated as major minerals?

- a. 1 and 2 only
- b. 4 only
- c. 1 and 3 only
- d. 2, 3 and 4 only

# Q.2 Recently, there has been a concern over the short supply of a group of elements called 'rare earth metals'. Why?

- 1. China, which is the largest producer of these elements, has imposed some restrictions on their export.
- 2. Other than China, Australia, Canada and Chile, these elements are not found in any country.
- 3. Rare earth metals are essential for the manufacture of various kinds of electronic items and there is a growing demand for these elements.

#### Which of the above statements is/are correct?

- a. 1 only
- b. 2 and 3 only
- c. 1 and 3 only
- d. 1, 2 and 3

#### <u>Mains PYQs</u>

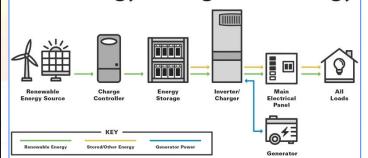
While significant progress has been made, there are still hurdles to overcome, particularly in scaling up renewable energy deployment and developing a robust critical minerals framework. Explain. (15 Marks, 250 words)



- 35 additional capital goods for EV battery manufacturing, and 28 additional capital goods for Mobile phone battery manufacturing, will be added to the list of Exempted Capital Goods
- It will boost **domestic manufacturing** of Lithium-ion battery, both for Mobile phones and Electric Vehicles
- Full exemption of BCD on cobalt powder and waste, the scrap of lithium-ion battery, lead, zinc and 12 more critical minerals



# Grid energy storage technology



SI. No.	Critical Mineral	Percentage (2020)	Major Import Sources (2020)
1.	Lithium	100%	Chile, Russia, China, Ireland, Belgium
2.	Cobalt	100%	China, Belgium, Netherlands, US, Japan
3.	Nickel	100%	Sweden, China, Indonesia, Japan, Philippines
4.	Vanadium	100%	Kuwait, Germany, South Africa, Brazil, Thailand
5.	Niobium	100%	Brazil, Australia, Canada, South Africa, Indonesia
6.	Germanium	100%	China, South Africa, Australia, France, US
7.	Rhenium	100%	Russia, UK, Netherlands, South Africa, China
8.	Beryllium	100%	Russia, UK, Netherlands, South Africa, China
9.	Tantalum	100%	Australia, Indonesia, South Africa, Malaysia, US
10.	Strontium	100%	China, US, Russia, Estonia, Slovenia
11.	Zirconium(zircon)	80%	Australia, Indonesia, South Africa, Malaysia, US
12.	Graphite(natural)	60%	China, Madagascar, Mozambique, Vietnam, Tanzania
13.	Manganese	50%	South Africa, Gabon, Australia, Brazil, China
14.	Chromium	2.5%	South Africa, Mozambique, Oman, Switzerland, Turkey
15.	Silicon	<1%	China, Malaysia, Norway, Bhutan, Netherlands

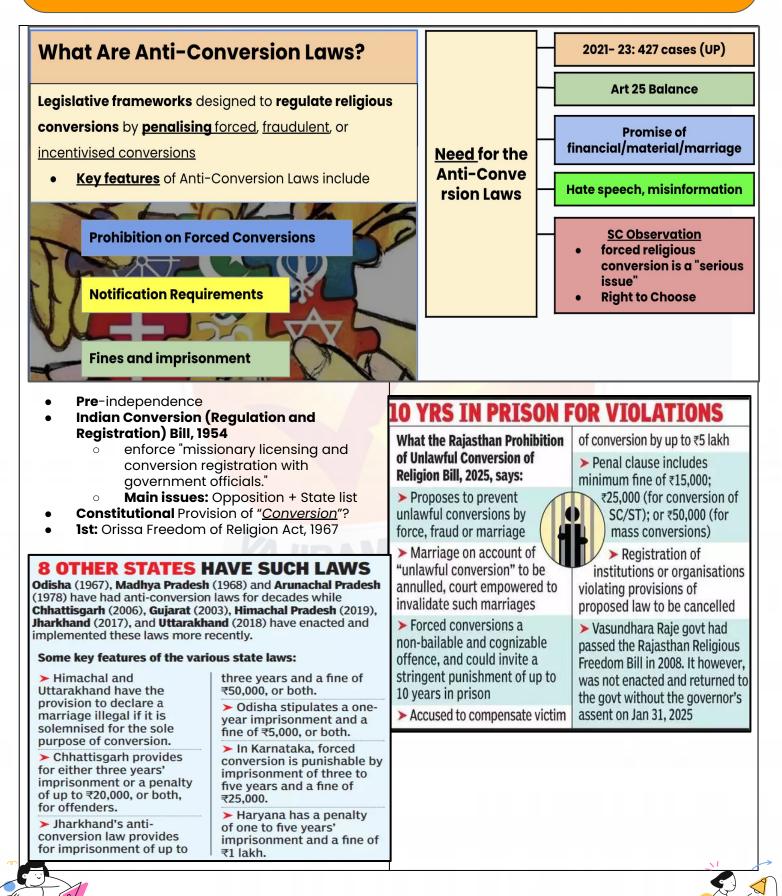
Table.1 The net import reliance for critical minerals of India (2020) (Source: A report on 'Unlocking Australia-India Critical Minerals Partnership Potential' by Australian Trade and Investment Commission, July 2021)

# **Anti-Conversion laws**



4th February, 2025

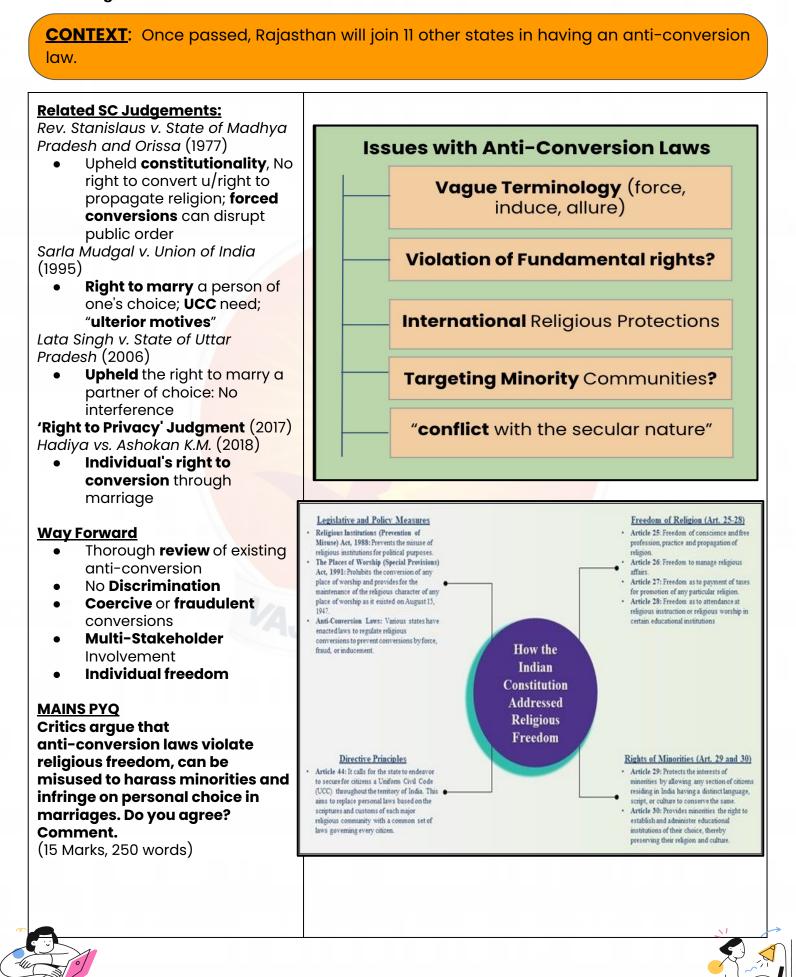
**<u>CONTEXT</u>**: Once passed, Rajasthan will join 11 other states in having an anti-conversion law.



# **Anti-Conversion laws**



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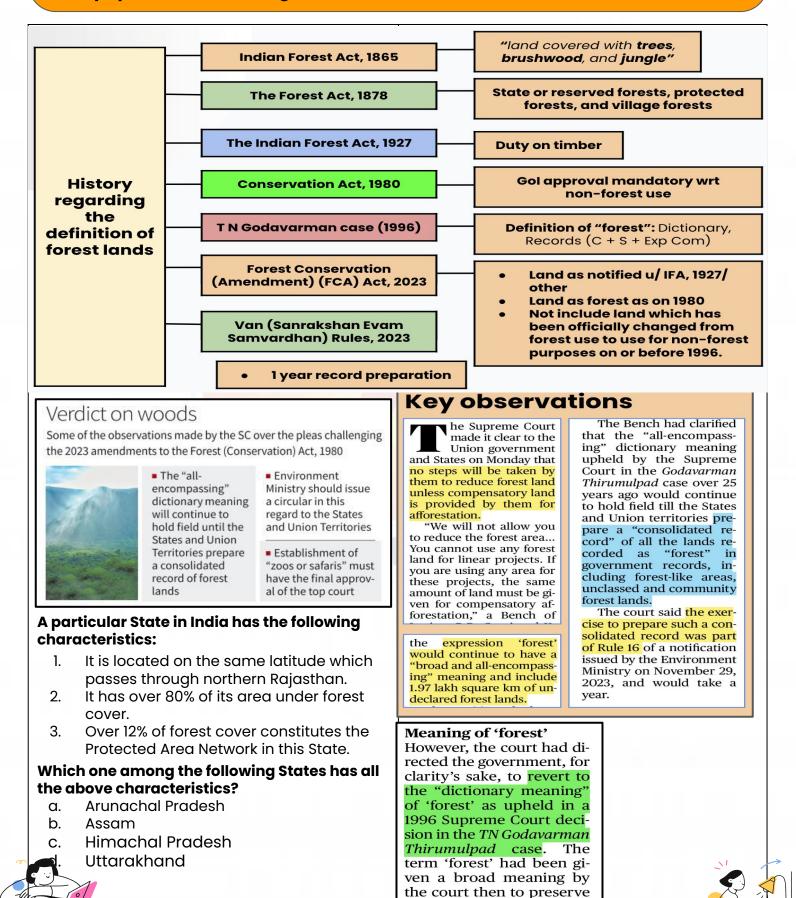
4th February, 2025

#### **SYLLABUS**:

GS-3:

#### Conservation

Newspaper: The Hindu Page No: 12



The Analyst

# **Ethanol blending target**



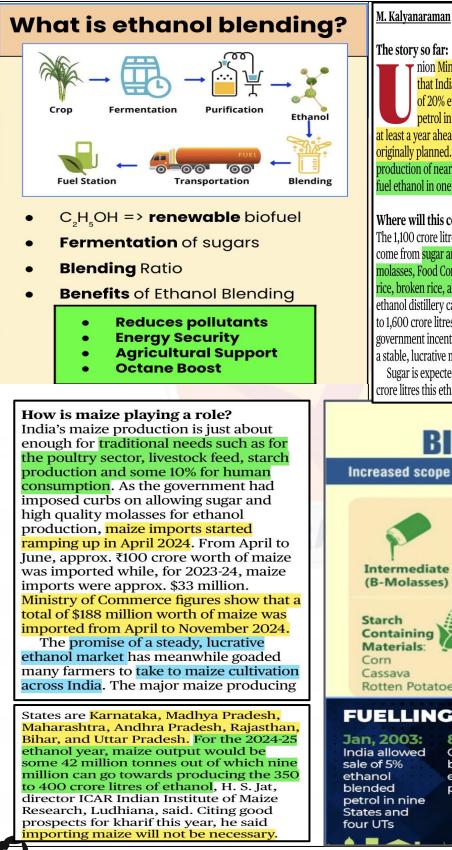
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#### **SYLLABUS:**

GS:3-

#### Conservation

Newspaper: The Hindu Page No: 8



### The story so far:

nion Minister Nitin Gadkari said that India will achieve its target of 20% ethanol blending of petrol in the next two months, at least a year ahead of what was originally planned. This would entail the production of nearly 1.100 crore litres of fuel ethanol in one year.

Where will this come from? The 1.100 crore litres of fuel ethanol will come from sugar and high grade molasses, Food Corporation of India (FCI) rice, broken rice, and maize. India's ethanol distillery capacity has ramped up to 1,600 crore litres, driven by a range of government incentives and the promise of a stable, lucrative market.

Sugar is expected to provide some 400 crore litres this ethanol year, according to

Deepak Ballani, director general of Indian Sugar and Bio-energy Manufacturers Association. India had closing sugar stocks of around 80 lakh tonnes in October 2024. The projected sugar production for next year is around 315 lakh tonnes out of which 40 lakh tonnes will go to fuel ethanol. Mr. Ballani said that ethanol for non-fuel uses will come from low grade molasses called C Heavy that don't go into sugar production.

The government recently decided to reduce the price of FCI rice to distilleries from ₹28 to ₹22.5 per kg. The government handout states that some 110 crore litres of ethanol will be produced from FCI rice this ethanol year. This means almost 400 crore litres of fuel ethanol should come from maize. For context, India was producing little or no ethanol from maize until 2020. Besides pure-play grain-based distilleries coming up, some sugar distilleries have modified to dual-feed so

# NATIONAL POLICY ON **UELS - 2**

Increased scope of raw materials for 1st Generation Ethanol

Intermediate (B-Molasses)





Damaged

**Food Grains** 

Broken rice unfit

for consumption

Sugar Containing Materials : Sugar Beet Sweet Sorghum



**Food Grains** During Surplus Phase

#### FUELLING THE **G** ECONOMY

Wheat

India allowed sale of 5% petrol in nine States and

8.5%: Current blending of ethanol with petrol

2025: New target to achieve 20 percent ethanol blending

\$4 bn: Expected annual savings on import bill due to 20 per cent blending



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# **Ethanol blending target**



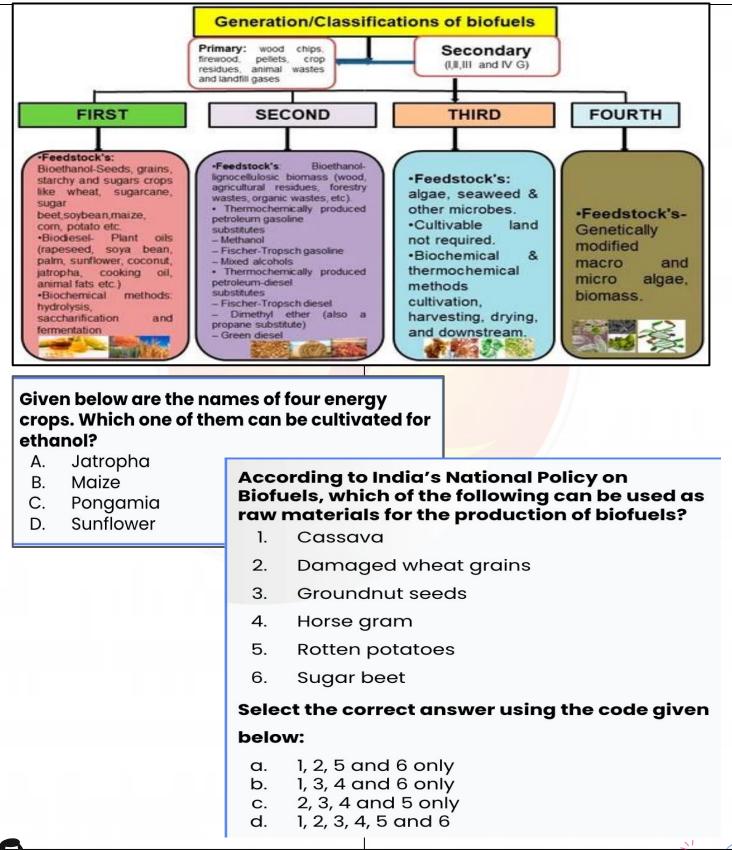
4th February, 2025

#### **SYLLABUS**:

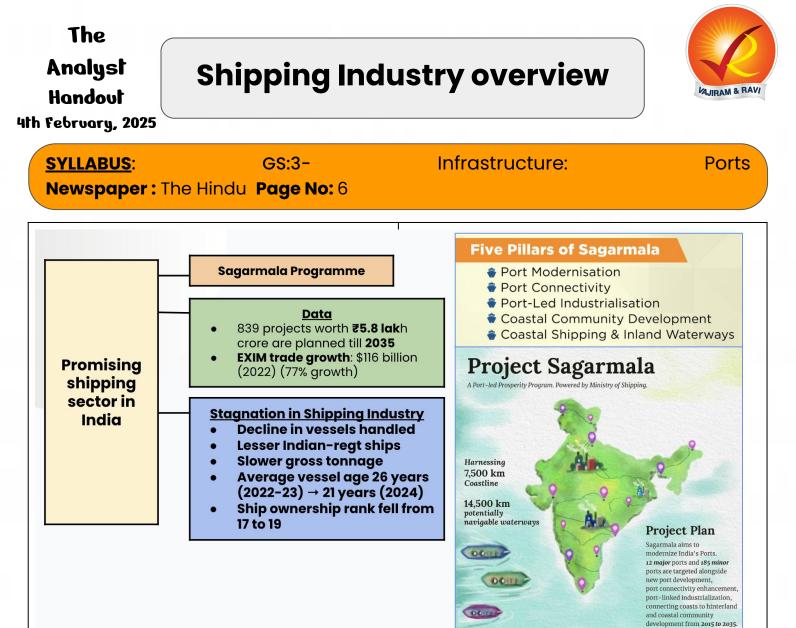
GS:3-

#### Conservation

#### Newspaper: The Hindu Page No: 8







### **Challenges in Shipbuilding**

- 1. Capital & Finance Issues
  - High borrowing costs & short loan tenures.
  - Rigid collateral rules shipowners require additional security beyond ships.
  - Unfavorable taxation Indian-flagged vessels taxed higher than foreign ones.
  - Regulatory barriers complex approvals, slow fund repatriation for ship purchases.
- 2. Shipbuilding Sector Struggles
  - Lack of infrastructure for large vessel construction.
  - High costs of raw materials (steel, imported components).
  - Heavy reliance on imports for machinery & parts (customs duties increase costs).
  - Skill gap in workforce reduces efficiency.
  - Limited financing options & delays in ship delivery discourage investment.
- 3. Competition from Foreign Ships
  - Foreign-flag vessels benefit from lower taxes, easier access to capital, lenient regulations.
  - Flags of convenience allow hidden ownership, fewer compliance costs.
  - Indian ships struggle due to higher port charges, regulatory costs, & training mandates.

# **Shipping Industry overview**



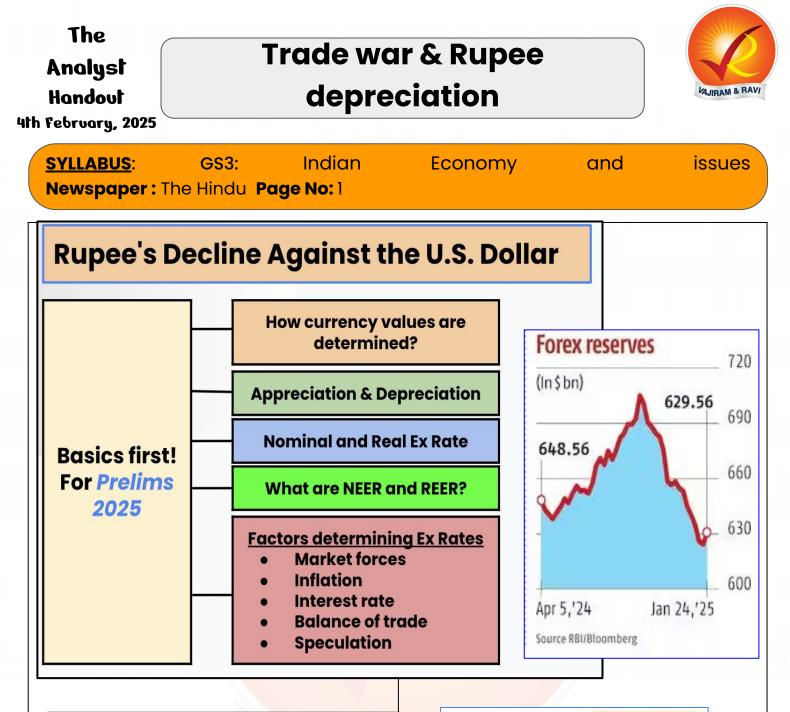
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#### GS:3-Infrastructure: Ports **SYLLABUS**: Newspaper: The Hindu Page No: 6 However, the devil lies in the details. The Embassy of India government's contribution to the MDF will only **Maritime India** be 49%, with the remainder to come from major Vision 2030 ports. It is unclear whether the ₹25,000 crore will be mobilised in a single year or over multiple Policy Initiatives & Development Projects years. Given the high capital intensity of shipping, shipbuilding, and port Allocation of ₹ 25,000-crore Maritime Development Fund to provide low cost, long-tenure financing to sectors, this amount may still fall short DGET. of industry needs. tting up of pan-India Port Regulatory Authority to able oversight across ports as well as to enhance institutional coverage of the sector IOM The Budget appears to have missed a crucial ment of Eastern Waterways Co ort Grid to pave the way for regi opportunity to <mark>address the tax disparities</mark> that put Indian ships at a comparative disadvantage to foreign ships, even when operating along the rine Development Fund for prov t of Rive Indian coast. Indian-flagged vessels are subject to rage of the to nnage tax scheme a 5% IGST on purchase price, a levy not imposed on foreign-flagged ships. Additionally, Indian tion of Port Charges to bring in more shipping companies must deduct tax at source rency (TDS) on seafarers' salaries, whereas foreign tion of Water Transport as an alternative mea of urban transport vessels employing Indian seafarers face no such obligation. UMY The aging Indian shipping fleet Key Goals... Ships and Recycling Maritime requires urgent replacement, and Six deep draft ports • ₹30.000 cr Maritime greenhouse gas emissions reduction Play targets will necessitate investments in **Development** Fund Two transshipment hubs green technology. The sector requires long-term Three mega Green and smart ports financing with lower interest rates and repayment shipbuilding and tenures of <mark>7-10 years</mark>. Additionally, India needs repair clusters new shipyards to build large vessels and the ..Mega Ports Push expansion and modernisation of existing ones. Although Sagarmala has infused funds in ports, Govt grant and equity infusion additional funds may still be necessary for from five major ports in modernisation, despite transitioning to a landlord Galathea Bay model. On-ground work for Vadhavan If the MDF is strategically utilised to attract port set to begin in July 2025 external commercial borrowings (ECBs) at lower interest rates, it could help bridge the funding gap across the maritime sector. The Indian National Shipowners Association The government has announced: a ₹25,000 has for long advocated measures to ease capital

The Indian National Shipowners Association has for long advocated measures to ease capital constraints and eliminate discriminatory tax policies. Two key recommendations, i.e., the creation of a Maritime Development Fund (MDF) and granting infrastructure status to ships, were incorporated into the Maritime India Vision 2030.

The government has announced: a ₹25,000 crore MDF; Infrastructure status for large vessels; facilitation of shipbuilding clusters; a 10-year extension of the basic customs duty exemption on shipbuilding spares and equipment; a revamped financial assistance policy for shipbuilding; credit incentives for shipbreaking in Indian yards, and an extension of the tonnage tax scheme to inland vessels.







"However, India has never used exchange rate policies to promote exports. That is not our policy. That's not a sustainable way to keep growing so we believe in strengthening our export competitiveness through better quality," Mr. Seth emphasised, adding that India can only envisage ways to handle the uncertainty that any move by the U.S. to raise tariffs will trigger.

<u>YLLABUS</u> : GS3: <b>ewspaper :</b> The Hindu		Economy and issue
Factors Contributi	ing to ₹ Weakness	
	g U.S. Dollar	Forex reserves 720
FII C	Dutflows	629.56 648.56 690
Oil Impo	orter Demand	660
Weak Domes	tic Equity Markets	- 630
	<b>ut</b> speculation	Apr 5,'24 Jan 24,'25
		Source RBI/Bloomberg
UPSC PYQ (P) 2019	UPSC PYQ (P) 202	21 UPSC PYQ (P) 2021
Which one of the following s not the most likely neasure the	Consider the following statements: The effect of devaluation of a	With reference to the Indian economy, consider the following statements: 1. An increase in Nominal Effective
Sovernment/RBI takes to stop the slide of Indian	currency is that it necessarily 1. improves the	Exchange Rate (NEER) indicates the appreciation of rupee.
upee?	competitiveness of the domestic exports in the	2. An increase in the Real Effective Exchange Rate (REER) indicates an
a. Curbing imports of non-essential goods	foreign markets	improvement in trade competitiveness.
and promoting exports b. Encouraging Indian	2. increases the foreign va of domestic currency	lue 3. An increasing trend in domestic inflation relative to inflation in other countries is
borrowers to issue rupee denominated Masala	3. improves the trade	likely to cause an increasing divergence
Bonds c. Easing conditions	balance	between NEER and REER.
relating to external commercial borrowing	Which of the above statement is/are correct?	s Which of the above statements is/are correct? a. 1 and 2 only
d. Following an expansionary monetary	a. 1 only	b. 1 and 2 only c. 1 and 3 only
policy	b. 1 and 2 c. 3 only	d. 1, 2 and 3

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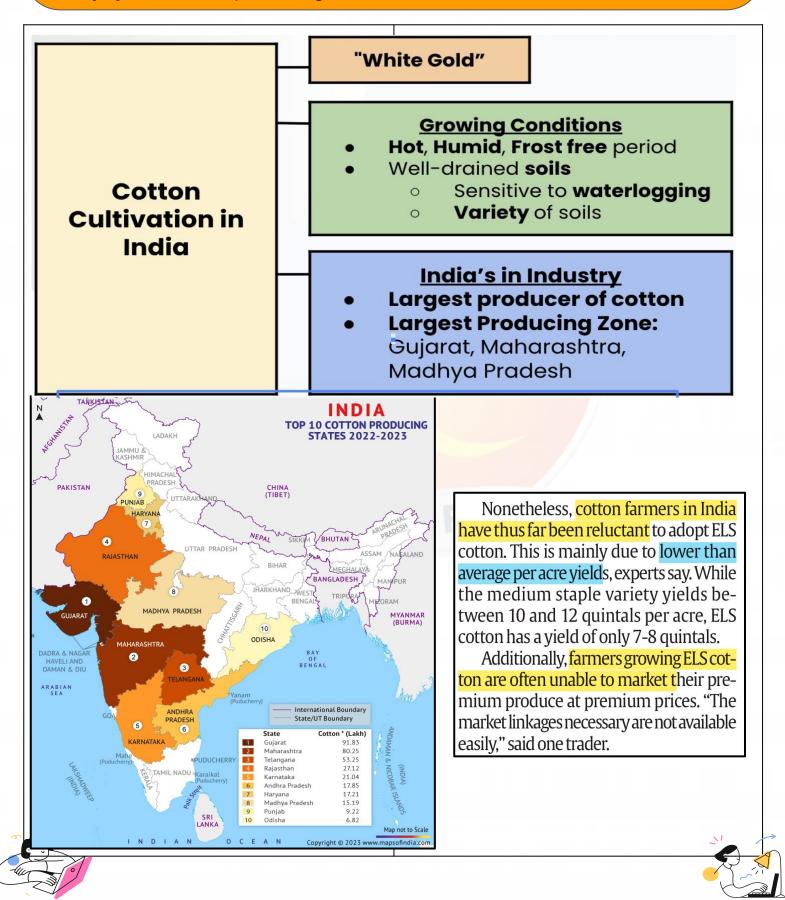
# **ELS Cotton**



4th February, 2025

**<u>SYLLABUS</u>**: GS:1 -Major crops-cropping patterns in various parts of the country

Newspaper: Indian Express Page No: 17



# **ELS Cotton**



4th February, 2025

# **<u>SYLLABUS</u>**: GS:1 -Major crops-cropping patterns in various parts of the country

#### Newspaper: Indian Express Page No: 17

How can the Cotton Mission help? "The best science & technology support will be provided to farmers," Sitharaman said in her Budget speech.

With the cotton ecosystem plagued by low per-acre yields, and increased pest attacks, adoption of the latest technologies would be a welcome step, Jain said. "What we need is the farmer to access the latest in GM [genetic modification] technology," he said.

Farmers in Maharashtra have long demanded that they be allowed to cultivate the herbicide-resistant HtBT cotton, which is illegal at present. This would significantly help with weed management.

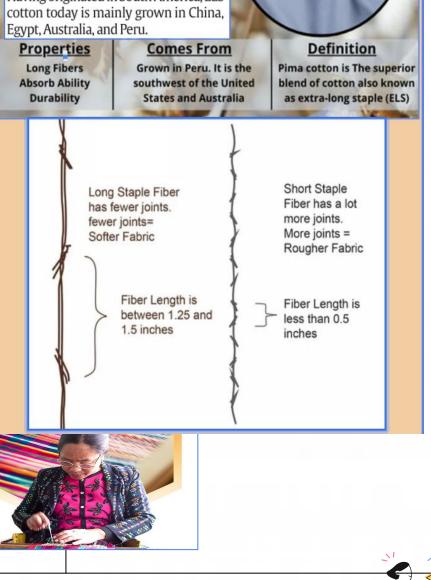
Currently, India's per acre yields are significantly lower than other countries. For instance, Brazil boasts an average yield of 20 quintals per acre, while China boasts a yield of 15 quintals. Better seeds, timely agronomic advice, and adoption of technology would help India improve in this regard, and grow premium varieties such as ELS cotton.

# Promoting ELS Cotton

**COTTON?** 

Cotton is classified, based on the length of its fibres, as long, medium, or short staple. *Gossypium hirsutum*, which constitutes roughly 96% of the cotton grown in India, falls in the medium staple category, with fibre lengths ranging from 25 to 28.6 mm.

On the other hand, ELS varieties boast fibre lengths of 30 mm and above. Most ELS cotton comes from the species *Gossypium barbadense*, commonly known as Egyptian or Pima cotton. Having originated in South America, ELS cotton today is mainly grown in China, Egypt, Australia, and Peru.



#ViksitBharatBudget2025

# Mission for Cotton Productivity

**5-year 'Mission for Cotton Productivity'** will be launched to facilitate significant improvements in productivity and sustainability of cotton farming, and promote extra-long staple cotton varieties

Best of science & technology support will be provided to farmers

Aligned with our integrated **5F vision for the textile sector**, this will help in increasing **incomes of the farmers**, and ensure supply of quality cotton for rejuvenating India's traditional textile sector

# **ELS Cotton**



4th February, 2025

**SYLLABUS:** GS:1 -Major crops-cropping patterns in various parts of the country

Newspaper: Indian Express Page No: 17

UPSC PYQ (P) 2021			UPSC PYQ (P) 2021				
The black cotton soil of India has been formed due to the weathering			Bollgard I and Bollgard II technologies are mentioned in the context of				
of	-	Α.	clonal propagation of crop				
a.	brown forest soil		plants				
b.	fissure volcanic	В.	developing genetically				
	rock		modified crop plants				
C.	granite and schist	C.	production of plant growth				
d.	shale and		substances				
	limestone	D.	production of biofertilizers				
"The crop is subtropical in nature. A hard frost is injurious to it. It requires at least 210 frost – free days and 50 to 100 centimeters of rainfall for its growth. A light well-drained soil canable of retaining moisture is ideally suited for the							

cultivation of the crop." Which one of the following is that crop?

- a. Cotton
- b. Jute
- c. Sugarcane
- d. Tea

# **Daily Quiz**



#### 4th February, 2025

Q.1 Consider the following statements regarding the National Critical Minerals Mission:

- 1. The National Critical Minerals Mission aims to ensure the secure and sustainable supply of critical minerals essential for India's economic and strategic needs.
- 2. The mission focuses exclusively on domestic exploration and mining, without any provisions for international collaborations or acquisitions.
- Critical minerals identified under the mission include lithium, cobalt, and rare earth elements that are vital for renewable energy, electronics, and defense industries.
- The government has allocated ₹16,300 crore for the mission to boost exploration, processing, and recycling of critical minerals.

#### How many of the statements given above is/are correct?

- a) Only One
- b) Only Two
- c) Only Three
- d) All Four

#### Answer: c

# Q2. Consider the following statements regarding the PM-KUSUM scheme:

- PM-KUSUM aims to promote solar energy use among farmers by providing subsidies for solar pumps and grid-connected solar power plants.
- The government has allocated ₹34,422 crore for the implementation of PM-KUSUM to achieve its renewable energy and agricultural sustainability goals.
- 3. The scheme covers 100% of the capital cost of solar pumps for all farmers to encourage widespread adoption.

#### How many of the statements given above is/are correct?

- a) Only One
- b) Only Two
- c) All Three
- d) None

Answer: b

# Q3. Consider the following statements regarding the constitutional provisions for religious freedom in India:

- 1. Article 25 of the Indian Constitution guarantees the freedom of conscience and the right to freely profess, practice, convert and propagate religion.
- 2. Article 26 grants religious denominations the right to establish and manage religious institutions.
- 3. Article 27 prohibits the state from compelling any person to pay taxes for the promotion or maintenance of any particular religion or religious institution.

4. Article 28 allows religious instruction in all educational institutions, including those maintained wholly by the state.

#### How many of the statements given above is/are correct?

- a) Only One
- b) Only Two
- c) Only Three
- d) All four

#### Answer: b

#### Q4. Consider the following statements regarding Biofuels:

- 1. First-generation biofuels are derived from food crops like corn, sugarcane, and wheat, and include ethanol and biodiesel.
- 2. Second-generation biofuels are produced from non-food feedstocks such as agricultural waste, wood, and grasses, which do not compete with food production.
- 3. Third-generation biofuels focus on advanced techniques like genetic engineering and synthetic biology to create biofuels with a significantly reduced carbon footprint.

#### Which of the statements given above are correct?

- a) 1 and 2 only
- b) 1 and 3 only
- c) 2 and 3 only
- d) 1, 2, and 3

#### Answer: a

# Q5. Consider the following statements regarding cotton cultivation in India:

- 1. India is the largest producer of cotton in the world, with its major cotton-growing regions located in the states of Gujarat, Maharashtra, and Andhra Pradesh.
- 2. Cotton in India grows well in areas with warm temperatures, adequate sunlight, and a moderate amount of rainfall, with the best productivity in regions with irrigated fields.
- 3. Cotton productivity in India has remained stagnant for the past decade, with little to no improvements in yield per hectare.

#### Which of the statements given above are correct?

- a) 1 and 2 only
- b) 1 and 3 only
- c) 2 and 3 only
- d) 1, 2 and 3

#### Answer: a







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