

## 26 Jun 2022: UPSC Exam Comprehensive News Analysis



**It is easy to give power, it is  
difficult to give wisdom**

- B R Ambedkar



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### Category: ECONOMY

#### 1. Sterlite plant sale could impact investor confidence in Tamil Nadu

*Syllabus: Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment.*

*Prelims: Trends in the copper market of India*

*Mains: Arguments for and against the reopening of the Sterlite Copper plant in Thoothukudi*

#### Context

Vedanta Group announced that its Sterlite Copper plant in Thoothukudi was up for sale.

#### Details

- The Tamil Nadu government in 2018 had closed down Sterlite Copper which is a subsidiary of Sterlite industries owned by Vedanta Limited on charges of pollution.
- The Sterlite Copper used to meet nearly 40% of India's demand for copper and accounted for about ₹2,500 crores to the exchequer.
- The Thoothukudi plant has an installed capacity of 4,00,000 metric tonnes per annum (MTPA) at the integrated copper smelter and refinery, with a capacity for another 4,00,000 MTPA.
- Further, Sterlite was the only domestic supplier of phosphoric acid which is a key raw material for fertilizers.
- This Thoothukudi plant was also the largest supplier of sulphuric acid in Tamil Nadu, which has its application in the detergent and chemical industries.

#### Indian copper market

- Post the closure of the plant in 2018, India has become a net importer of copper from FY19
- Imports are expected to increase as the domestic demand is estimated to double from 1 million metric tonnes to 2 million metric tonnes.
- Over 33% of the copper is used by the electrical segment.
- Data suggest that India is importing copper at record prices at about \$9,600 per tonne, which is 50% higher than the average prices when India was a net exporter (around \$6,500 per tonne).
- The fluctuations in forex also add to the worries of the Indian copper market.

## Copper EX-IM trend

The table indicates that India has shifted from being a large net exporter of refined copper to a net importer of copper during the last four years, since the shutdown of the Thoothukudi plant

(In thousand tonnes)

Year	Production	Exports	Imports	Consumption	Net Imp/Exp
FY13	685	263	24	446	239
FY14	644	256	38	426	219
FY15	762	368	38	432	330
FY16	796	320	33	509	287
FY17	799	339	35	495	304
FY18	766	379	44	431	334
FY19	457	48	92	502	-44
FY20	408	37	152	523	-115
FY21	401	88	155	468	-67
FY22	533	108	139	563	-31

Source: CARE RATINGS

Image Source: The Hindu

### Arguments for the opening of the plant

- Various industries and micro, small and medium enterprises (MSMEs) that depend on copper (a key raw material) have raised concerns about the sale of the plant as it would further impact businesses in the State.
- After the closure of the plant, the prices of the raw materials have increased significantly in the region which has impacted the industries in the region.
- The waiting time for raw material import has also increased significantly which is forcing industries to invest more in their working capital (to keep a higher inventory of copper) which has further impacted the profitability of these companies.
- The closure of the plant forced various other industries and ancillary units (that depend on raw materials from the plant) to move out of Tamil Nadu to states like Telangana as procuring raw materials from other states was not economically feasible for these units.
- The transport industry which ensured income for many truck drivers and cleaners was also severely affected due to the closure of the plant.

### Arguments against the opening of the plant

- Environmentalists who have been against the operation of the plant said that the move by the Vedanta group to sell the plant is a “marketing gimmick” and a “strategy to get national attention”.
- They further regard the move as an attempt to hoodwink the people of Thoothukudi and blackmail the government.
- Leaders of the Anti-Sterlite Protest Movement point out that, “if a chemical industry wants to wind up its operations and decides to dismantle the unit, it should obtain permission from the Tamil Nadu Pollution Control Board. But Vedanta has issued this advertisement without following this mandatory procedure”.

- Almost all the political parties, the victims of the police firing and villagers continue to oppose the reopening of the plant.

### Way forward

- Industry experts opine that the Supreme Court must allow the company to restart its operations and the Centre and the State governments must ensure that the company follows strict pollution-control regulations.
  - They further say that if there were any issues in its operation or the treatment of its effluents, the company should have been mandated to rectify the deviations and continue the operations as shutting down a plant does not solve the problem.
- Other experts also feel that the decision of selling the plant could be rewarding as people's minds and sentiments could change with the arrival of new players and more industries would invest more confidently.

### Nut Graf

*The move to sell the Sterlite Copper plant by the Vedanta Group has come under the spotlight as the reopening or the selling of the plant will have large-scale consequences on the conduct of business and the confidence of investors in the region.*

## 2. Salt sector crisis pinches livelihood of lakhs

**Syllabus:** Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment.

**Prelims:** Salt industry in India

**Mains:** Challenges associated with the salt industry in India

### Context

This article talks about the challenges faced by the salt industry.

### Salt industry in India

- India is ranked as the **third-largest producer** of Salt in the World after China and USA.
- At the time of Indian independence, India was importing salt from the UK and the salt industry in India has achieved tremendous growth in terms of becoming self-sufficient and also exporting its surplus.
- The major sources of salt in the country include:
  - Sea brine
  - Lake brine
  - Sub-soil brine
  - Rock salt deposits
- Nearly 99.5% of salt is produced either from the seawater or from the subsoil water and the entire process is done by seeding, cultivation and harvest.

- The major salt-producing states are Gujarat, Tamil Nadu, Andhra Pradesh, Maharashtra, Odisha and West Bengal.
  - Gujarat produces nearly 28.5 million tonnes of salt a year, which is about 80% of India's total production.
- About **five lakh people** currently work in the salt industry
- It is estimated that 87.6% of the total number of salt producers are small-scale producers.
- Salt is listed under the **Union List** of the seventh schedule of the Constitution of India.

### Challenges associated with the salt industry in India

- The salt industry is currently facing huge challenges in meeting the demand and in addressing the crisis faced by salt farmers.
  - At present, India produces 36 million tonnes of salt and its demand, including for export, is 31.5 million tonnes. However, the demand is increasing at the rate of 8% but the production is increasing at just 3%.
  - This is expected to create a demand and supply gap in the coming years.
- Currently, farmers earn about ₹250 to ₹300 for a tonne of salt produced and the problem is that the prices keep fluctuating.
  - Farmers are facing low prices as there is no [minimum support price \(MSP\)](#).
- Further, the workers are affected because of the lack of an adequate system for wages and social security benefits.
- Even after 75 years of Independence, the laws governing the salt industry are the ones that were framed by the British.
  - About 120 years ago, Britishers extracted salt from Mandi in Himachal Pradesh through mining and hence the British put salt production as mining.
  - But currently, only about 0.5% of salt is produced through mining.
  - Experts say that since it is listed as a mining industry, all laws governing the industries are applicable to salt production even as the production is done through simple solar evaporation.

### Nut Graf

*The challenges and concerns associated with the salt industry have to be immediately addressed as the industry has played a crucial role in changing the course of the history of India and continues to be the source of livelihood to lakhs of people in the country.*

## D. GS 4 Related

*Nothing here for today!!!*

## E. Editorials

### Category: POLITY

#### 1. Has the anti-defection law failed in India?



***Syllabus: Indian Constitution—Evolution, Features, Amendments, Significant Provisions and Basic Structure.***

***Prelims: Anti-defection law provisions***

***Mains: Concerns associated with anti-defection law and recommendations***

**Context:**

- Many ruling party legislators from the Shiv Sena political party from the state of Maharashtra have revolted against the leadership. There are indications of mass defection in the party.
- This political churn in Maharashtra has brought the focus upon the anti-defection law.

**Anti-defection law:**

- The Tenth Schedule of the Constitution, popularly referred to as the ‘Anti-Defection Law’ was inserted by the 52nd Amendment (1985) to the Constitution.
  - ‘Defection’ has been defined as, “To abandon a position or association, often to join an opposing group”.
- The law contemplates two kinds of defection:
  - A member voluntarily giving up membership of the party on whose symbol he got elected
  - Member violating a whip issued by the party to vote in a particular way or to abstain from voting.
- The anti-defection was introduced to ensure that a party member does not violate the mandate of the party and in case he/she does so, he/she will lose membership of the House. It was meant to curtail the menace of floor-crossing and toppling of elected regimes by engineering defections. Hence it sought for stability of governments.

For detailed information on the anti-defection law refer to the following article:

**[Anti-defection Law](#)**

**Concerns with the anti-defection law:**

**Antithetical to the principle of representative democracy:**

- The anti-defection law by forcing the elected members to stand by the party line comes across as being against the principle of representative democracy. The provisions of the law prevent the members from representing the views of the people of their constituency and is also found to violate their freedom of expression.

**Exceptions to application of anti-defection law:**

- Paragraph 4 of the Tenth Schedule provides for an exception to the application of anti-defection law for disqualification in case of a merger of one party with another. As per this provision, a deemed merger is said to have occurred only if two-thirds of the party’s total strength agrees to the merger. This paves the way for mass defections.
- There are also concerns that this provision would be used to save the defectors from the anti-defection law.

**Misuse of the provisions:**

- Recent instances are indicative of the misuse of provisions by parties, legislators and Speakers to either evade the law against defection or to achieve partisan political ends.
- The speaker has in many cases misused his/her powers with respect to the provisions of anti-defection law. In many cases, speakers have chosen not to act on anti-defection petitions. This has allowed members to continue as members of the house as well as become ministers despite having had defected to the ruling party.
  - As per the anti-defection law, the Presiding Officer of the legislature to disqualify any defector on a petition by another member
- There have been recent episodes of members submitting resignation letters to escape disqualification proceedings.

**Uncertainty around the law:**

- A member using the 'voluntarily giving up membership' mode of defection has been a source of dispute and litigation.
- The Supreme Court decisions on this aspect have not been conclusionary and there continues to remain scope for further dispute and litigation.

For more detailed information on the concerns with anti-defection law refer to the following article:

[CNA dated Feb 26, 2021](#)

**Recommendations:**

- As the anti-defection law has failed to curtail defections and has been liable to misuse, there is a strong case to reform the anti-defection law.
- Redefining the merger clause, shifting the adjudicatory power from the Speaker to some other credible authority could be some of the important aspects to be considered for reforming the law.

**Nut Graf**

*Given the increasing instances of the failure of anti-defection law to ensure the stability of the elected government and the misuse of provisions by parties, legislators and Speakers to evade the law, there is the need to reform the anti-defection law.*

## F. Prelims Facts

### 1. Jyotirgamaya Festival

**Syllabus:** GS-1, Indian Heritage and Culture; Salient aspects of Art Forms

**Prelims:** World Music Day, Jyotirgamaya Festival and Sangeet Natak Akademi

## Context

On the occasion of [World Music Day](#), Jyotirgamaya Festival was organised.

### Jyotirgamaya Festival

- Jyotirgamaya Festival is organised by the **Sangeet Natak Akademi**
- Jyotirgamaya is a unique festival organised to showcase the talent of rare musical instruments from across the country, including street performers, train entertainers, performers attached to temples, etc.
- The festival aims to spread awareness about the need to protect the craft of making and the skill of playing rare musical instruments, and to provide a platform to ‘unheard’ artists.

### Sangeet Natak Akademi

- Sangeet Natak Akademi was established in 1953 with the objective of preserving and promoting the vast intangible heritage of India’s diverse culture expressed in forms of music, dance and drama.
- It is the apex body in the field of performing arts in the country
- It is an autonomous body working under the aegis of the Ministry of Culture.
- The Chairman of the Sangeet Natak Akademi is appointed by the **President** of India for a term of **five years**.
- The registered office of the Akademi is at Rabindra Bhavan.
- The Sangeet Natak Akademi Awards are the highest national recognition conferred to artists.

## G. Tidbits

### 1. Hasina opens Padma multipurpose bridge

- The Government of India congratulated Bangladesh on the completion of the Padma Multipurpose Bridge which is regarded as the biggest infrastructure project in Bangladesh.
- Along with enhancing the internal connectivity in Bangladesh, the Padma bridge is expected to improve trade and logistics between India and Bangladesh.
- The bridge is expected to play a crucial role in improving bilateral India-Bangladesh and subregional links.
- The Padma Bridge will facilitate faster transportation of goods and commodities between Bangladesh and India and other countries like Nepal and Bhutan.

### 2. Udaipur’s ‘bird village’ to be declared wetland

- Menar in Udaipur district which is regarded as the “bird village” is set to be notified as Rajasthan's new wetland. The move is expected to help the region get the Ramsar site status under the [Ramsar convention, 1971](#).
  - The freshwater lakes of the region will be protected with the application of the [Wetlands \(Conservation and Management\) Rules, 2019](#).



- Currently, Rajasthan has two wetlands recognised as Ramsar sites namely **Keoladeo Ghana** in Bharatpur district and **Sambhar Salt Lake** in Jaipur.
- The two lakes in the village namely the **Brahma** and **Dhandh** host a large number of migratory birds during the winter season which include the greater flamingo, white-tailed lapwing, pelican, marsh harrier, bar headed goose, common teal, greenshank, pintail, wagtail, green sandpiper and red-wattled lapwing.

### 3. Kerala to have its own regional red list of birds

- Kerala will have its own red list of birds as the Kerala Bird Monitoring Collective led by Kerala Agricultural University and the Bird Count India will conduct the regional red list assessment.
  - The assessments will be done on the basis of the [International Union for Conservation of Nature \(IUCN\)](#) guidelines.
- It makes Kerala the first State to have a region-specific red list of birds
- The IUCN guidelines for preparing the red list have five main criteria namely the population size reduction measured over 10 years or three generations, geographic range on the basis of extent of occurrence or area of occupancy, small population size and decline, very small or restricted population, and quantitative analysis indicating the probability of extinction in the wild
- According to the global IUCN red list, Kerala has 35 threatened species of birds which includes the Red-headed vulture and White-rumped vulture which are critically endangered and Steppe Eagle, Banasura Chilappan and Nilgiri Chilappan which are endangered and 11 species are vulnerable.

## H. UPSC Prelims Practice Questions

**Q1. Which of the following statement/s is/are correct with respect to salt production in India? (Difficulty level- Difficult)**

1. India is the world's largest producer of salt.
2. Among the states, Rajasthan accounts for the largest salt production in India.
3. Salt produced from mining accounts for around 30% of the total salt production in India.

**Options:**

- a. 1 and 2 only
- b. 2 only
- c. 3 only
- d. None of the above

**Answer: d**

**Explanation:**

- India is the world's third largest salt producer.
- Among the Indian states, Gujarat accounts for the largest salt production. Gujarat accounts for 80% of the total salt production in India.
- Only around 0.5% of salt production in India is produced by mining. 99.5% salt is produced either from the seawater or from the subsoil water.

**Q2. Which of the following statement/s is/are correct? (Difficulty level- Medium)**

1. The levy and collection of GST compensation cess has been extended till March 2026.
2. The revenue collected from this cess will be used to compensate the states for any shortfall in their revenue collections under the GST system until March 2026.

**Options:**

- a. 1 only
- b. 2 only
- c. Both 1 and 2
- d. Neither 1 nor 2

**Answer: a**

**Explanation:**

- The centre has extended the time for levy of GST compensation cess by four years till March 31, 2026 based on the Goods and Services Tax (Period of levy and collection of cess) rules 2022 notified by the Finance Ministry.
- The levy of cess was to end on June 30 but has been extended till 2026 to repay the loans taken in the last two years to make up for the shortfall in their revenue collection. The regime of paying compensation to states would end by June 2022.

**Q3. Consider the following statements about solid state batteries and liquid electrolyte batteries? (Difficulty level- Difficult)**

1. The solid-state batteries are safer than batteries using liquid electrolytes.
2. A solid-state battery has higher energy density than a Li-ion battery that uses liquid electrolyte solution.
3. The solid-state batteries can charge faster than liquid electrolyte batteries.

**Options:**

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

**Answer: d**

**Explanation:**

- A lithium-ion battery is composed of cathode, anode, separator and electrolyte. A lithium-ion battery applied at smartphones, power tools and EVs uses liquid electrolyte solution. On the other hand, a solid-state battery uses solid electrolyte, not liquid.
- The solid-state batteries are safer than batteries using liquid electrolytes. Li-ion battery has a risk of battery damage such as swelling caused by temperature change or leakage caused by external force since it uses liquid electrolyte solution. The liquid electrolytes are flammable and degrade at high temperatures leading to poor battery life and in extreme cases lead to battery fires. A solid-state battery with solid

battery shows improved stability with a solid structure and increased safety. It doesn't have a risk of explosion or fire.

- A solid-state battery has higher energy density than a Li-ion battery that uses liquid electrolyte solution. Solid-state batteries can deliver 2.5 times more energy density as compared to lithium-ion batteries. This tremendous increase in solid-state batteries' energy density means that they will be far smaller and lighter.
- Solid-state batteries are capable of holding much more energy per unit of mass than today's lithium-ion batteries, which means an EV could go for much longer before needing to be recharged
- Solid-state batteries can work at very high rates of power. Research suggests that they may be able to recharge 4-6 times faster than current technologies safely.

**Q4. Consider the following birds.**

1. Banasura Chilappan
2. Ceylon Frogmouth
3. Jerdon's nightjar
4. Great Hornbill

**How many of the above birds are found in the state of Kerala? (Difficulty level- Difficult)**

- a. One only
- b. Two only
- c. Three only
- d. All the above four

**Answer: d**

**Explanation:**

- The Banasura Chilappan bird is found in shola habitat in a small section of the Western Ghats in southwestern Karnataka and northern Kerala.
- The frogmouth is distributed across the Western Ghats' wet evergreens from the Karnataka border to the Neyyar sanctuary at the tip of Kerala. The Thattekkad sanctuary has a rich population of the frogmouth. The frogmouths are named for their large flattened hooked bill and huge frog-like gape, which they use to take insects.
- Jerdon's nightjar is a medium-sized nightjar species native to southern India and Sri Lanka. Nightjars are medium-sized nocturnal birds that usually nest on the ground.
- The great hornbill is one of the larger members of the hornbill family. It occurs in the Indian subcontinent and Southeast Asia. It is predominantly frugivorous, but also preys on small mammals, reptiles and birds. The Government of Kerala declared it as the official Kerala state bird.

**Q5. The Chairmen of public sector banks are selected by the (Difficulty level- Easy)**

- a. Banks Board Bureau
- b. Reserve Bank of India
- c. Union Ministry of Finance
- d. Management of concerned bank

**Answer: a**

**Explanation:**

- Bank Board Bureau is responsible for the selection of chairmen of public sector banks.
- 'The Committee to Review Governance of Boards of Banks in India, headed by Chairman - P. J. Nayak had recommended the constitution of the Banks Board Bureau.
- The government, in 2016, approved the constitution of the BBB as a body to make recommendations for the appointment of whole-time directors as well as non-executive chairpersons of Public Sector Banks (PSBs) and state-owned financial institutions.
- It also engages with the board of directors of all the public sector banks to formulate appropriate strategies for their growth and development. It is tasked with improving corporate governance at public sector banks, building capacities, etc.

## I. UPSC Mains Practice Questions

1. [Anti-defection law has been rendered meaningless due to loopholes in the law. Explain the statement with relevant examples. \(15 Marks, 250 Words\) \(GS Paper 2/Polity\)](#)
2. [Should the Sterlite Copper plant in Thoothukudi be allowed to restart its operations? Critically Analyze. \(10 Marks, 150 Words\) \(GS Paper 3/Environment and Ecology\)](#)