

**The Hindu Important News Articles & Editorial For UPSC CSE**

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The Supreme Court of India stayed a notification issued by the Ministry of AYUSH in which Rule 170 of the Drugs and Cosmetics Rules, 1945 was omitted.

- The Rule deals with the power to take action against objectionable or misleading advertisements about Ayurvedic, Siddha, and Unani drugs.


## SC stays AYUSH Ministry's notification omitting key rule prohibiting misleading advertisements

**The Hindu Bureau**  
NEW DELHI

The Supreme Court on Tuesday stayed a July 1 notification issued by the AYUSH Ministry in which Rule 170 of the Drugs and Cosmetics Rules, 1945 was "omitted". The Rule deals with the power to take action against objectionable or misleading advertisements about Ayurvedic, Siddha, and Unani drugs.

A Bench of Justices Hima Kohli and Sandeep Mehta told Additional Solicitor General K. Nataraj that the notification was in the teeth of a May 7 order passed by the Supreme Court in a contempt case against Patanjali Ayurved Limited, a company co-



 The intention of the May 7 order was to enforce Rule 170. Now, in view of this omission, any manufacturer can with impunity go around advertising its drugs

JUSTICE SANDEEP MEHTA

founded by yoga guru Baba Ramdev.

The May 7 order had directed the Ministry to withdraw its August 29, 2023 letter sent to drug licensing authorities across States and Union Territories informing them that Rule 170 was no longer operational on the basis of a recommendation made by the Ayurvedic, Siddha, and

Unani Drugs Technical Advisory Board (ASUDTAB) to omit the provision. The Ministry had agreed to comply with the court's order.

However, the Ministry went on to issue the July 1 notification, which did not withdraw the August 2023 letter, while omitting to bring Rule 170 back into play. "The intention of the May 7 order was to enforce

Rule 170. Now, in view of this omission, any manufacturer can with impunity go around advertising its drugs," Justice Mehta said.

### 'Violation order'

Mr. Nataraj said he would file an affidavit to explain. "This flies in the teeth. No affidavit. We are quashing your notification here and now. How could you file this with an affidavit explaining it? We are really surprised. You are violating our order. This is not appreciated," Justice Kohli noted.

In its order, the court recorded that the Centre "instead of withdrawing the letter dated August 29, 2023, for reasons best known to the Ministry, a

notification dated July 1 to omit Rule 170 of the Drugs and Cosmetics Rules, 1945 has been issued which runs contrary to directions issued by this court".

Meanwhile, the Bench found the unconditional apology published in 20 editions of the print version of *The Hindu* by Indian Medical Association (IMA) president R.V. Asokan was illegible as the font was minuscule.

The IMA, which had filed the contempt case against Patanjali Ayurved, saw a reversal of fortune when the court took serious exception to remarks made by Dr. Asokan about a Supreme Court order in the case during a media interview.

### Drug Regulation in India:

- **The Drugs and Cosmetics Act, 1940 and Rules 1945:** These have entrusted various responsibilities to central and state regulators for regulation of drugs and cosmetics.

### Central Drugs Standard Control Organisation (CDSCO):

- The CDSCO under the Directorate General of Health Services, Ministry of Health & Family Welfare, is the National Regulatory Authority (NRA) of India.

### Under the Drugs and Cosmetics Act, CDSCO is responsible for -

- Approval of Drugs.
- Conduct of Clinical Trials.
- Laying down the standards for Drugs.
- Control over the quality of imported Drugs in the country.
- Coordination of the activities of State Drug Control Organisations.

➤ Further CDSCO along with state regulators, is jointly responsible for grant of licences of certain specialised categories of critical Drugs such as vaccine and sera, etc.

- The Indian government has announced plans to subject all medical devices, including implants and contraception, to CDSCO scrutiny.

#### **Drugs Controller General of India (DCGI):**

- DCGI is the head of department of the CDSCO responsible for approval of licences of specified categories of drugs such as blood and blood products, vaccines and sera, etc., in India.
- DCGI also sets standards for manufacturing, sales, import, and distribution of drugs in India.

#### **About the Ayurveda, Siddha and Unani Drugs:**

- **Definition:** The Drugs and Cosmetics Act 1940 defines Ayurvedic, Siddha, and Unani drugs as medicines that are used internally or externally to treat, prevent, mitigate, or diagnose diseases or disorders in humans or animals.
- **Regulation:**
  - The act also establishes the Ayurvedic, Siddha, and Unani Drugs Technical Advisory Board (ASUDTAB), which sets the standards for these drugs.
  - The Central Government can also make or change rules regarding these drugs after consulting with the board.
  - Schedule T under Drugs and Cosmetics Act 1940: Schedule T describes the Good Manufacturing Practice for Ayurvedic, Siddha and Unani Medicines.

#### **The SC's Efforts to Protect Consumers from Being Trapped by Misleading Ads:**

- In a contempt case against Patanjali Ayurved Limited, the SC (on May 7, 2024) directed that advertisers should submit self-declarations that they are not misrepresenting or making false claims about products before promoting them in the media.
- However, the Ministry of AYUSH (on July 1, 2024) notified that Rule 170 of the Drugs and Cosmetics Rules, 1945 was no longer operational.
- According to the ministry, the basis of this notification is a recommendation made by the ASUDTAB.
- In its recent order, the SC stays centre's notification (dated July 1) to omit Rule 170 of the Drugs and Cosmetics Rules, 1945, as it runs contrary to directions issued by this court..

### **UPSC Mains PYQ : 2019**

**Ques :** How is the Government of India protecting traditional knowledge of medicine from patenting by pharmaceutical companies?

**Page 02 : GS 2 : Social Justice -  
Vulnerable Sections**

Sanitation workers in Mumbai face dangerous conditions cleaning stormwater drains, often manually handling sewage.

- Despite regulations against manual scavenging, workers remain unprotected due to gaps in recognition and enforcement.
- Seasonal migration and child labour further complicate their situation, with inadequate infrastructure and safety measures exacerbating their vulnerability.

**The invisible lives of sanitation workers who clean Mumbai's drains to keep them functional**

**SPECIAL**

**Snehal Mutha**  
MUMBAI

Shankara Colony, a slum in Mumbai's Ghatkopar, serves as a temporary home to thousands of seasonal sanitation workers who travel from remote areas of Maharashtra to take part in the yearly ritual of desilting the stormwater drains before the dreaded monsoon arrives.

Squatting on the footpath adjacent to the slum, Laxman Kale, 55, says they do whatever is asked of them. "We do all that we are told to do. That could be cleaning drains, getting into nullahs, climbing down manholes – whatever the job requires."

The cleaning of the 2,200-km-long drain network, which consists of both major and minor nullahs, was recommended by

the Madhav Chitale committee after the calamitous 2005 Mumbai floods and falls under the ambit of the Brihanmumbai Municipal Corporation (BMC). It involves the removal of mud deposits carried by nullahs, and waterbodies like the Mithi river, which flows through Mumbai's suburbs.

This year, the BMC has allocated ₹243 crore and appointed 31 agencies to oversee the desilting process. But the real work, typically done from March to May by 4,000-odd sanitation workers who are hired by the agencies through contractors, can be potentially fatal.

"The migrants are asked to get into drains where sewer water is present. They clean it with their bare hands, but all of this goes unnoticed, because manual scavenging in stormwater drains is not recognised," says Shubham Kothari, member of Mum-

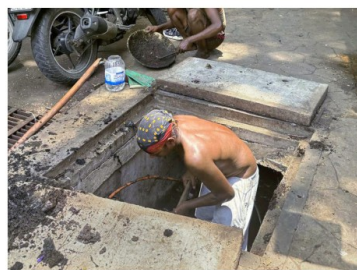
bai-based NGO Loktantrik Kamgar Union.

He explains that the city has failed to separate its sewers from stormwater drains, which, as per Section 239 of the Mumbai Municipal Corporation Act, 1888, should not be connected in the first place. This causes the waste from public toilets and septic tanks to be discharged into the main drain, leaving the workers to deal with toilet sludge.

**Thin line**

"The government calls the migrants 'seasonal sanitation workers' to get around the ban on manual scavenging, and when deaths happen, the government never acknowledges them," Mr. Kothari says, adding that the workers' issues remain largely unaddressed due to the transitory nature of the job.

Cleaning sewers and drains comes under the



A seasonal sanitation worker desilting the stormwater drains in Mumbai, Maharashtra. SNEHAL MUTHA

purview of the Prohibition of Employment as Manual Scavengers and their Rehabilitation Act, 2013 (PEMSR). According to the Act, employing any person for the "hazardous cleaning of sewers and septic tanks" is a punishable offence, entitling the worker to various forms of rehabilitation, including cash assistance.

Workers' unions have

been demanding that the BMC declare all stormwater drains and rivers as sewer lines so as to be able to add the sanitation workers to the list of manual scavengers and entitle them to rehabilitation.

But the BMC has denied that these workers could be classified as manual scavengers. "BMC issues tenders for desilting work. We have

instructed contractors not to let workers enter drains and tanks, and follow all safety rules, such as wearing gloves and boots, but if they don't listen to us, what can we do?" says BMC Additional Commissioner Sudhakar Shinde.

**Unforgiving work**

Mr. Kale says that his source of income keeps changing through the year. From September to February, he and his wife work as sugarcane cutters in the village of Kherawadi in Parbhani district, earning about ₹60,000 for six months of work.

They then migrate to Mumbai until May, cleaning drains for about ₹30,000 each, return to their hometown for the remaining three months of the year with barely any savings, which they will use for subsistence farming, covering healthcare expenses, and maintaining their home.

The couple has been coming to Mumbai for the last 20 years, sometimes bringing along their son, daughter-in-law, and two grandchildren. Together they earn about ₹800 a day cleaning the drains. Mr. Kale, who gets inside the drains, earns ₹450, while his wife receives ₹350 to collect and transfer waste.

**Never-ending cycle**

Both Mr. Kale and Ms. Sakubai hail from the lowest rung of the caste hierarchy, restricting their job opportunities. Their circumstances have forced generations of families into a never-ending cycle of doing the same work.

Fifteen-year-old Kavita Kale, for instance, follows in her mother Sakubai's footsteps, unclogging the arteries of the city. She was born in the slum of Ghatkopar and aspires to become a nurse. Chinnapoorna Kale, 13, too assists his father

Rustum Kale, getting paid ₹300 every day to clean drains.

Children like Kavita and Chinnapoorna, and many others in the slum pockets, work as daily wagers when they are not attending school.

According to a 2022 report by the Rehabilitation Research Initiative and South Asian Labour Network, Maharashtra is home to 12,562 child labourers, the highest number in India. Of these, most boys aged 8-13 are employed as manhole cleaning assistants.

Sanitation activist Pragna Akhilesh says the generational curse will never be broken if no proper tracking is done. "When there is no record of a person's existence, anyone can make them do anything. Trafficked children are also used for this work, but without records, nothing can be proved," she says.

**Issues faced by sanitation workers:**

- **Hazardous Conditions:** Sanitation workers are often required to clean stormwater drains and sewers manually, exposing them to toxic substances and unsafe conditions, including direct contact with sewage.
- **Lack of Recognition:** Manual scavenging in stormwater drains is not officially recognized, which prevents workers from receiving proper protections and benefits under laws prohibiting manual scavenging.
- **Regulatory Gaps:** Inadequate separation of sewers from stormwater drains results in the discharge of sewage into drains, increasing the risk and difficulty of sanitation work.
- **Temporary Employment:** Workers are often seasonal migrants, with unstable income and limited job security, exacerbating their vulnerability and lack of access to social protections.
- **Inadequate Safety Measures:** Despite regulations mandating safety gear, workers frequently work without proper protection, as enforcement of safety standards is insufficient.
- **Generational Poverty:** The sanitation work is often inherited across generations, trapping families in a cycle of poverty and limiting opportunities for upward mobility.

- **Child Labour:** Children from these communities are often involved in hazardous work, impacting their education and future prospects.
- **Lack of Accountability:** There is a lack of proper tracking and record-keeping, which hinders efforts to ensure fair treatment and rehabilitation of workers.

**Way Forward:**

- **Enforce Safety Regulations:** Strictly implement and monitor adherence to safety standards and provide necessary protective gear for workers.
- **Acknowledge Manual Scavenging:** Officially recognize manual scavenging in stormwater drains to ensure workers receive appropriate benefits and protections.
- **Improve Infrastructure:** Upgrade drainage systems to separate sewage from stormwater, reducing the risk and difficulty of cleaning tasks.
- **Support Stable Employment:** Provide stable and secure employment opportunities to migrant workers to reduce their economic vulnerability.
- **Enhance Child Protection:** Implement measures to prevent child labour and ensure access to education and support for affected children.
- **Strengthen Record-Keeping:** Establish comprehensive tracking systems for workers to ensure fair treatment and facilitate rehabilitation efforts.

**UPSC Prelims PYQ : 2016**

**Ques : 'Rashtriya Garima Abhiyaan' is a national campaign to :**

- (a) rehabilitate the homeless and destitute persons and provide them with suitable sources of livelihood
- (b) release the sex workers from their practice and provide them with alternative sources of livelihood
- (c) eradicate the practice of manual scavenging and rehabilitate the manual scavengers
- (d) release the bonded labourers from their bondage and rehabilitate them

**Ans: (c)**

**Page 10 : GS 2 : Governance – Important aspects of governance – Transparency and accountability; GS 4: Ethics – Ethics in civil services & public administration**

Hindenburg Research's report exposed conflicts of interest involving SEBI Chairperson Madhabi Buch, including investments in an offshore fund linked to Adani Enterprises and ownership of a consulting firm active during her SEBI tenure.

➤ These revelations raise concerns about SEBI's integrity and its handling of investigations, notably into the Adani group.

**On SEBI chairperson's conflicts of interests**

The actions and statements of SEBI chairperson Madhabi Puri Buch are in conflict with regulatory integrity; the SEBI's citation of Hindenburg's own conflict of interest in the matter as a short-seller, does not hold much water

**FULL CONTEXT**

Prasenjit Bose

It has been over two weeks since a Hindenburg Research report revealed serious conflicts of interests vis-a-vis the chairperson of the Securities and Exchange Board of India (SEBI). Two separate responses to the report were issued on August 11 – an unsigned statement from SEBI and a joint statement issued by Madhabi and Dhaval Buch. These statements in effect confirmed the veracity of Hindenburg's revelations, casting more doubts over the regulator's integrity. As the appointing authority of SEBI's whole-time members, the Central government owes explanations to all stakeholders.

**Did the government know?**

The first conflict of interest revealed by Hindenburg relates to an investment worth \$8,72,762 (over US 6 crore at the 2015 exchange rate) made by Madhabi and Dhaval Buch in Bermuda based Global Dynamic Opportunities Fund (GDOF Cell 90 (IPEPlus Fund 10) through Mumbai-headquartered IIFL Wealth & Asset Management Limited (now renamed 360 One).

Madhabi and Dhaval Buch's joint statement confirms the investment made in 2015 and clarifies that it was driven by the fund's Chief Investment Officer (CIO), Anil Ahuja, who was "Dhaval's childhood friend from school and IIT Delhi and, being an ex-employee of Citibank, J.P. Morgan and 3i Group plc, had many decades of a strong investing career". The statement says that the investment was redeemed in 2018 when Anil Ahuja left his position as CIO of the fund. The joint statement, however, fails to mention that Anil Ahuja also served as a director of Adani Enterprises Limited when that investment was made, and remained in that position until May 31, 2017. An email revealed by Hindenburg shows that it was Madhabi Buch who sent the redemption request to GDOF on behalf of Dhaval Buch on February 25, 2018, when she was already a whole-time member of SEBI (appointed on April 5, 2017).

Therefore, two obvious questions arise: first, was Madhabi Buch's investment in an offshore fund operated by a director of Adani Enterprises disclosed to the Central government prior to her appointment as a whole-time member of SEBI? Second, did her shareholding in the offshore fund after her appointment in April 2017, till its redemption in February 2018, have the approval of the Board? The Central government must clarify this.

**Relevance to the Adani Group probe**

The Hindenburg revelations are of vital consequence to the ongoing SEBI investigation into the Adani group companies as well as the Supreme Court order of January 3, 2024. While ruling that the investigation into the Adani group companies did not warrant a transfer from SEBI to a Special Investigation Team (SIT) or the CBI, the Supreme Court had held that the "threshold for such a transfer of investigation has not been demonstrated to exist" and "related party transactions". While the Expert Committee had elaborated in its report on how the SEBI (Foreign Portfolio Investors) Regulations, 2014 were diluted in 2018 and 2019 to enable the concealment of "ultimate beneficial owners" of offshore funds. The Expert Committee demonstrated that these regulatory amendments made it difficult to establish the ultimate beneficial owners of the 13 offshore funds



Myriad questions: SEBI chairperson, Madhabi Puri Buch, interacts with the media during a press conference at the SEBI office, in Mumbai, on July 24, 2017

that were suspected by SEBI for being fronts of the Adani promoter group. The funds under the SEBI investigation include the Emerging India Focus Funds and EM Resurgent Fund, which were managed by IIFL Wealth & Asset Management Limited (360 One), as revealed by the Organized Crime and Corruption Reporting Project (OCCRP). Was the Expert Committee made aware of Madhabi Buch's investment in such an opaque offshore fund through IIFL Wealth & Asset Management Limited (360 One), which was also managed by a director of Adani Enterprises, even after joining SEBI as a whole-time member? This evident conflict of interest remained unreported in the Expert Committee report as well as the top court order.

Moreover, SEBI had approved the acquisition of Ambuja Cements and ACC by the Adani group in August 2022 during Madhabi Buch's tenure as chairperson. In response to a RTI query in April 2022, SEBI disclosed that its chairperson had a meeting with the Adani group Chairman on August 11, 2022 at the SEBI headquarters to "discuss open offer applications of Ambuja Cements and ACC". There was a second meeting between the two on October 3, 2022 on an unspecified agenda.

The Adani group disclosed on August 23, 2022 that the acquirer of the controlling stakes in these cement companies was a Mauritius based company whose ultimate beneficial owner was Vinod Adani, establishing him as part of the promoter group. Despite this, the Adani group has continued to maintain that Vinod Adani is not a "related party" when it comes to the suspicious transactions in Adani shares by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) since 2018, redefining "related party" and "related party transactions". While the Expert Committee flagged the LODR amendments as regulatory dilutions, SEBI's approval of the Adani group's acquisitions of Ambuja Cements and ACC acquisitions was never examined.

SEBI's investigation into the violation of promoter shareholding regulations by listed Adani group companies had started in October 2020. Despite the Supreme

Court prodding it to complete the probe by April 2024, SEBI's statement on August 11, 2024 describes the probe status as "close to completion". In the light of the SEBI chairperson's conflict of interests, it not only appears to be a "glaring, willful and deliberate inaction" on the part of the regulator but a calculated cover up operation. This warrants a transfer of the investigation to a SIT or the CBI. The role of the current SEBI chairperson and IIFL Wealth & Asset Management Limited (360 One) in all investigative matters related to the Adani group companies since 2018 also needs to be brought under the probe's ambit.

**Other conflicts**

Hindenburg has also raised concerns over the SEBI chairperson's shareholding in two consulting companies, namely India-based Agora Advisory and Singapore-based Agora Partners. Madhabi and Dhaval Buch's clarification that these companies "became immediately dormant on her appointment with SEBI", is *prima facie* false. The statement itself makes the self-contradictory claim that "after Dhaval retired from Unilever in 2019, he started his own consultancy practice through these companies" which allowed him to "work with prominent clients in the Indian industry".

Madhabi Puri Buch had served as a whole time member of SEBI between April, 2017 and October, 2021 and was subsequently appointed as its chairperson in March 2022. Documents from India's Corporate Affairs Ministry show Ms. Buch as the owner of 99% shares of Agora Advisory Private Limited as on March 31, 2024. This private company, active as on date, made over US 6 crore in revenues between 2017 and 2024. The SEBI chairperson, who was a whole-time board member since 2017, has continued to occupy another office of profit, in violation of SEBI's "Code on Conflict of Interests for Members of Board" (Section 5.1). This not only makes her partners as SEBI chairperson untenable but also implicates the entire Board along with its appointing authority, for allowing such subversion of its own code of conduct. There should be an immediate disclosure of all the clients of the Agora Advisory Private Limited and Agora Partners and a probe into probable *quid pro quo*.

Hindenburg has also revealed that Dhaval Buch's current employer,

multinational private equity firm Blackstone, directly benefited from the SEBI chairperson's aggressive promotion and regulatory decisions vis-a-vis Real Estate Investment Funds (REITs). In response, SEBI states that "the claim that promoting REITs...among various other asset classes by SEBI was only for benefiting one large multinational financial conglomerate, is inappropriate".

Thus, there is neither a denial of SEBI chairperson's promotion of REITs nor of the fact that her husband's employer, Blackstone, made thousands of crores in profit through three out of four REIT IPOs, that have been approved by SEBI till date. The Securities and Exchange Board of India Act, 1992 mandates SEBI to protect the interests of the investors, and promote the development and regulate the securities market. Promoting individual asset classes like REITs is not a function of SEBI, as defined under the laws. Rather, such favouritism towards a specific asset class by SEBI chairperson, particularly when her spouse is employed in a major player benefiting from such preferential treatment, amounts to a possible violation of the Securities and Exchange Board of India (Terms and Conditions of Service of Chairman and Members) Rules, 1992.

The SEBI Rules prohibit the chairperson or whole-time members to have any financial or other interests which are likely to prejudicially affect their functioning.

**What next?**

The conflicts of interests vis-a-vis the SEBI chairperson are borne out through her own statements and actions, which is why SEBI's citation of Hindenburg's own conflict of interest in the matter as a short-seller in order to undermine the latter's revelations, does not hold much water. They must be addressed, systematically in order to restore the regulator's credibility.

There has been a surge in retail investor participation in the Indian securities market in the past few years. The latest Economic Survey estimated that around 20% of Indian households may now be channelling their household savings into the financial markets. A compromised securities market regulator only enhances the risks to their financial security and overall financial stability. Prasenjit Bose is an economist and activist.

**THE GIST**

The first conflict of interest matter revealed by Hindenburg relates to an investment worth \$8,72,762 made by Madhabi and Dhaval Buch in Bermuda based Global Dynamic Opportunities Fund through Mumbai-headquartered IIFL Wealth & Asset Management Limited.

Hindenburg has also raised concerns over the SEBI chairperson's shareholding in two consulting companies, namely India-based Agora Advisory and Singapore-based Agora Partners.

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**Conflict of Interest for SEBI Chief:**

➤ **Investment in Offshore Fund:** Madhabi Buch and Dhaval Buch invested over ₹5.6 crore in Bermuda-based Global Dynamic Opportunities Fund in 2015, managed by Anil Ahuja, an Adani Enterprises director at the time. Buch redeemed this investment in 2018 while serving as a SEBI member.

- **Undisclosed Holdings:** Madhabi Buch owned 99% of Agora Advisory Private Limited, which remained active and profitable during her SEBI tenure, violating SEBI's conflict of interest code.
- **Promotion of REITs:** Buch's husband works for Blackstone, benefiting from SEBI's favourable decisions on Real Estate Investment Trusts (REITs), raising concerns about preferential treatment.

#### Issues:

- Potential lack of transparency and regulatory integrity.
- Questions on SEBI's role in the Adani group investigation.
- Violation of SEBI's conflict of interest rules by the chairperson.

#### Conflict Of Interest In Governance:

- **Definition:** Conflict of interest in governance occurs when an individual's personal interests or relationships could improperly influence their official duties, leading to biased decisions or actions.

#### Importance for Civil Servants to Avoid:

- **Maintains Integrity:** Ensures that decisions are made based on fairness and merit, not personal gain or relationships.
- **Builds Public Trust:** Upholds the credibility and trustworthiness of public institutions and their representatives.
- **Prevents Corruption:** Reduces the risk of corrupt practices and unfair advantages in public administration.
- **Legal Compliance:** Adheres to ethical standards and legal requirements set for public servants.
- **Promotes Accountability:** Facilitates a clear accountability mechanism, where actions and decisions can be scrutinised without bias or personal interest.

#### Ways to Avoid Conflict of Interest in Civil Service:

- **Disclosure:** Regularly disclose any personal, financial, or familial interests that might influence decision-making.
- **Recusal:** Abstain from participating in decisions or processes where a conflict of interest is present.
- **Ethics Training:** Participate in ongoing ethics and compliance training to understand and manage potential conflicts.
- **Transparency:** Ensure all decisions and actions are transparent and well-documented to prevent perceptions of bias.
- **Clear Guidelines:** Follow established codes of conduct and conflict-of-interest guidelines specific to the civil service.
- **Third-Party Review:** Seek advice from ethics committees or independent reviewers to handle potential conflicts appropriately.

**UPSC Prelims PYQ : 2014**

**Ques: With reference to India, consider the following statements :**

1. Retail investors through demat account can invest in 'Treasury Bills' and 'Government of India Debt Bonds' in primary market.
2. The Negotiated Dealing System Order Matching' is a government securities trading platform of the Reserve Bank of India.
3. The 'Central Depository Services Ltd.' is jointly promoted by the Reserve Bank of India and the Bombay Stock Exchange.

**Which of the statements given above is/are correct?**

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

**Ans : b)**



India's rising liquid fuel consumption, expected to reach 6.6 million barrels per day by 2028.

- Alongside the decrease in crude oil exports from West Asia due to OPEC+ production cuts, Indian refiners might turn to alternative sources from the Americas.
- With West Asia's share of imports dropping and increasing non-OPEC+ production from countries like the U.S., Brazil, Guyana, and Canada, India is likely to diversify its crude oil sources.

#### Key Differences Between OPEC and OPEC+:

- **Formation:** OPEC was formed in 1960 by Iraq, Iran, Kuwait, Saudi Arabia, and Venezuela. OPEC+ was established in 2016, including 10 non-OPEC oil producers such as Russia.
- **Members:** OPEC has 13 member countries. OPEC+ extends beyond OPEC to include additional countries like Russia, expanding its influence.
- **Objectives:** OPEC's primary goal is to coordinate petroleum policies among member countries. OPEC+ aims to include both OPEC and non-OPEC producers in managing oil production and prices.
- **Production Control:** OPEC sets production targets solely for its members. OPEC+ coordinates production targets among both OPEC and non-OPEC countries, including major producers like Russia.
- **Market Influence:** OPEC+ controls a larger share of global oil production (about 59% in 2022) compared to OPEC alone, enhancing its impact on global oil prices.

## OPEC+ output cut may push Indian refiners to source oil from Americas

**Rishi Ranjan Kala**  
NEW DELHI

Rising consumption of liquid fuels in India, which is expected to touch 6.6 million barrels per day (mb/d) by 2028, and declining crude-oil exports from West Asia due to production cuts by the Organization of the Petroleum Exporting Countries and allies (OPEC+) could force Indian refiners to tap resources in the Americas, the U.S. Energy Information Administration (EIA) has said.

The U.S. EIA pointed out rising domestic consumption in India will drive the need for more crude-oil imports alongside expanding refinery capacity.

"Similar to China, decreasing Middle East [West Asia] crude-oil exports because of OPEC+ production restraint may lead refiners in India to secure crude oil supplies from other sources, such as the Americas," it added.

Although West Asia remains the largest source of crude-oil imports for India, the quantity declined from 2.6 mb/d in 2022 to 2 mb/d in 2023, as the country imported significantly more from Russia, it pointed out.

Oil-producing countries



in the Americas include the U.S., Canada, Brazil, Guyana, and Argentina, among others.

#### Non-OPEC+ cargoes

The International Energy Agency (IEA) said in its Oil 2024 report in June, "Rising non-OPEC+ crude supply, in tandem with sanctions on Russian crude exports and OPEC+ voluntary cuts, will push higher volumes from the Atlantic Basin to East of Suez over the outlook period."

The loss of medium sour crudes from West Asia amid OPEC+ cuts is partially offset by rising supplies from Brazil, Guyana and Canada. Asian markets have been opened to Canadian crude through the expanded Trans-Mountain pipeline to the Pacific Coast. Light and sweet U.S. crude oil will increasingly move to Europe and Africa

as well as to India and other Asian refiners, it added.

Trade sources said rising crude-oil production from non-OPEC+ countries, particularly the U.S., Guyana, Brazil and Canada, is already challenging OPEC's ability to reverse production cuts.

The IEA's latest oil market report for August forecast non-OPEC+ production may rise by 1.5 mb/d in 2024 and 2025, while OPEC+ output may fall by 7,60,000 barrels per day (b/d) in 2024, but rise by 4,00,000 b/d in 2025, if voluntary cuts stay in place.

"Our current balance suggests even if those cuts remain in place, global inventories could build by an average 8,60,000 b/d next year (2025) as non-OPEC+ supply increased around 1.5 mb/d in 2024 and again in 2025 more than the expected demand growth. The Americas quartet of the U.S., Guyana, Canada and Brazil account for three-quarters, or roughly 1.1 mb/d, of non-OPEC+ supply gains in every two years," it added.

India added 1.3 mb/d refinery distillation capacity between 2011 and 2023, the U.S. EIA added.

*(The writer is with The Hindu businessline)*

**UPSC Prelims PYQ : 2011**

**Ques: In the context of global oil prices, "Brent crude oil" is frequently referred to in the news. What does this term imply?**

1. It is a major classification of crude oil.
2. It is sourced from the North Sea.
3. It does not contain sulfur.

**Which of the statements given above is/are correct?**

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

**Ans : b)**

## Location In News : Chile's Atacama Salt Flat sinking due to Lithium Mining

A recent study published in journal IEEE Transactions on Geoscience and Remote Sensing has found that Chile's Atacama salt flat (Salar de Atacama) is sinking at a rate of 1 to 2 centimetres per year due to lithium brine extraction.

- Lithium brine extraction involves pumping salt-rich water to the surface and letting it evaporate in ponds to collect lithium.

### About Salar de Atacama

- The Salar de Atacama in Chile boasts the highest lithium concentration (0.15% by weight) among all brine sources worldwide.
- Argentina boasts more than half of the world's total lithium resources.
- It holds the distinction of having the 2nd-largest lithium resources, the 3rd-largest lithium reserves, and the 4th-largest lithium production in the world.
- It is a part of the Lithium Triangle comprising of Uyuni (Bolivia) and Hombre Muerto (Argentina).

### Key Findings of the Study:

- Researchers analyzed satellite data from 2020 to 2023 to observe deformations in the Earth's crust in the salt flat.
- The area experiencing subsidence measures approximately 8 km north to south and 5 km east to west.
- The study indicates that subsidence occurs because the rate of lithium brine pumping is faster than the recharge rate of aquifers, leading to the ground sinking.

### What is Lithium?

- Lithium is an alkali metal, often referred to as 'white gold' due to its value and color.
- It is a soft, silvery-white metal, and notably, it is the lightest metal on the periodic table.
- It is typically found in various minerals like spodumene, petalite, and lepidolite, from which it is extracted and refined.
- The leading producers of lithium are Australia, Chile, China, and Argentina.

### Effects of Lithium Mining on Environment:



- ▶ **Water Use:** Lithium mining, especially from salt flats and brine pools, requires substantial water usage, which can deplete local water resources in arid areas.
- ▶ **Ecological Disruption:** The extraction process can alter the chemical balance of the natural environment, affecting local flora and fauna.
- ▶ **Pollution:** Mining and processing lithium can release harmful chemicals into the environment, impacting air and water quality.

# *Advancing equity, from COVID-19 to Mpox*

**L**ess than five years after the COVID-19 pandemic, the world faces the threat of another global health crisis. The World Health Organization (WHO) has, once again, declared mpox (formerly known as monkeypox) a Public Health Emergency of International Concern (PHEIC), following its outbreak in the Democratic Republic of the Congo (DRC), Africa, and subsequently spreading to over a dozen African countries. This comes on the heels of the Africa Centres for Disease Control and Prevention's (AfricaCDC) declaration of a Public Health Emergency of Continental Security (PHECS), marking the first instance where both regional and global health emergencies have been declared concurrently for the same disease. In the days following the PHEIC declaration, cases of mpox were identified in Sweden, Pakistan and the Philippines, indicating that the virus has likely spread beyond the African continent.

This WHO declaration is significant as it is the first PHEIC announced since the May 2024 amendments to the International Health Regulations (IHR). And of all the IHR reforms, the inclusion of equity as a core principle was perhaps the most important. Although these amendments will not take effect until 2025, it is crucial that the global response to the mpox outbreak is grounded in this principle from the outset. Those amendments further expand WHO's role as a facilitator of essential medical products during emergencies.

A PHEIC is intended to foster international cooperation. Countries, international organisations, and non-governmental organisations must collaborate to coordinate their responses, share information, and provide mutual assistance. The declaration should trigger the rapid mobilisation of financial and technical resources, including emergency funding, deployment of trained health-care workers, and provision of medical supplies.

### **Mirroring the COVID-19 pandemic response**

One of the most glaring shortcomings exposed by the COVID-19 pandemic was the inadequacy of vaccine manufacturing capabilities in the Global South, exacerbated by the lack of technology transfers and the know-how to produce vaccines developed in the West. So far, the global response to the mpox outbreak appears to be following a similar trajectory.

However, the present response to mpox differs significantly from COVID-19 in one key aspect: the availability of a vaccine. The Modified Vaccinia

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In the face of the mpox outbreak, the global community has the opportunity to demonstrate its commitment to equitable prevention and health care by ensuring widespread access to a vaccine

Ankara-Bavarian Nordic (MVA-BN), also known as Jynneos, is already in production by Danish manufacturer Bavarian Nordic. This vaccine, produced using primary chick embryo fibroblast (CEF) cell cultures, shares its production process with several other vaccines, including those for measles, mumps, rabies, and tick-borne encephalitis. Regulatory authorities in the European Union and United Kingdom (marketed as Imvanex®), United States and Switzerland (marketed as Jynneos®), and Canada (marketed as Imvamune®) have already approved the vaccine.

The mpox outbreak presents an opportunity to apply lessons from the COVID-19 pandemic by ramping up vaccine production in the Global South, and leveraging the existing MVA-BN vaccine. Indian manufacturers, in particular, have the potential to play a critical role in ensuring equitable access to this vaccine, ensuring it reaches the populations that need it the most, at the right time. Indeed, India was a critical partner during COVID-19, facilitating the mass production of the vaccine largely credited with saving the most lives – Oxford/AstraZeneca's vaccine marketed in India as Covishield.

### **Ensuring technology transfers**

As countries closely monitor the mpox outbreak, the demand for vaccines is expected to surge. The AfricaCDC estimates that 10 million doses are needed to stem the outbreak, yet only about 0.21 million doses may be available immediately. Bavarian Nordic has informed the AfricaCDC that it has the capacity to manufacture 10 million doses by the end of 2025. The price of an mpox shot has been estimated at \$100. This underscores the need for sustainable, low-cost production of the MVA-BN vaccine.

India is well-positioned to meet this challenge. Three major vaccine manufacturers – the Serum Institute of India, Bharat Biotech, and Zydus Cadila – already have the experience of producing vaccines using CEF cells. Notably, the Serum Institute of India and Bharat Biotech played pivotal roles in both the national and global responses to the COVID-19 pandemic.

These manufacturers likely have the expertise to quickly scale up MVA production in CEF cells. Additionally, they may already have established supply chains for key materials, such as SPF eggs, which could be leveraged to expand production. The lower cost structure of manufacturers in lower-middle-income countries (LMICs) could also reduce the price of vaccines, increasing demand and making doses more accessible.

Rapidly scaling up MVA-BN production will

require comprehensive technology transfer, including the sharing of biological resources, know-how, and patents. Often overlooked, the transfer of the relevant know-how is crucial and has historically been a major hurdle in outbreak responses. It is the sharing of knowledge, rather than just doses, that distinguishes charity from justice. Writing on the key contentious issues in the ongoing negotiations for the WHO Pandemic Treaty in this daily (Editorial page, "The global struggle for a pandemic treaty", August 1, 2024), these writers argued that technology transfers "are needed to ensure diverse manufacturing capacities globally so that LMICs are no longer reliant on 'charity' from high-income countries and can maintain self-sufficiency".

The Indian government, along with regulators, should collaborate with the United States, the European Union, and key international organisations such as WHO, Gavi, and the Coalition for Epidemic Preparedness Innovations (CEPI), to negotiate with Bavarian Nordic for the transfer of technology. By leveraging the expertise and the experiences of these organisations and working with manufacturers in developing countries, these efforts can help scale low-cost production and ensure equitable access to the MVA-BN vaccine, thereby curtailing the epidemic and preventing further outbreaks. That would benefit countries both in the Global North and South.

### **A move with impact**

In a recent significant move, on August 7, India's drug regulatory agency, the Central Drugs Standard Control Organization (CDSCO), waived the requirement for clinical trials in India for drugs approved in the United States, the United Kingdom, Japan, Australia, Canada, and the European Union. This waiver, which includes 'new drugs used in pandemic situations,' will expedite the availability of critical vaccines such as MVA-BN in the country.

In the face of the mpox outbreak, the global community has a critical opportunity to demonstrate its commitment to equitable prevention and health care by ensuring widespread access to a mpox vaccine, targeted to those most in need. By fostering international cooperation, prioritising technology transfers, and leveraging the manufacturing capabilities of countries such as India, we can not only address the current crisis but also strengthen our preparedness for future public health emergencies. The time to act is now, before history repeats itself.

**GS Paper 02 : Social Justice – Health**

**(UPSC CSE (M) GS-2 : 2018)** Critically examine the role of WHO in providing global health security during the Covid-19 pandemic. (150 w/10m)

**UPSC Mains Practice Question** Discuss the significance of international cooperation and equitable vaccine access in managing the mpox outbreak, in light of recent global health emergencies and the lessons learned from the COVID-19 pandemic. (150 w /10 m)

## Context :

- This article discusses the global response to the mpox (formerly monkeypox) outbreak, which has been declared a Public Health Emergency of International Concern (PHEIC) by the WHO.
- It emphasises the importance of international cooperation, vaccine production, equitable access, and the role of technology transfers to address the crisis effectively.

## Public Health Emergency

- Less than five years after the COVID-19 pandemic, the world faces a new threat as the World Health Organization (WHO) declares mpox (formerly monkeypox) a Public Health Emergency of International Concern (PHEIC).
- The outbreak began in the Democratic Republic of the Congo (DRC) and has spread to over a dozen African countries. Cases have also been reported in Sweden, Pakistan, and the Philippines, indicating global transmission.
- This declaration follows the Africa Centres for Disease Control and Prevention's (AfricaCDC) declaration of a Public Health Emergency of Continental Security (PHECS), marking the first instance where both regional and global health emergencies have been declared for the same disease.

## Role of WHO in Post-2024 IHR Amendments

- This is the first PHEIC declared since the May 2024 amendments to the International Health Regulations (IHR), emphasising equity as a core principle, although these reforms take effect in 2025.
- WHO's role as a facilitator of essential medical products during emergencies will be expanded, and the global response to mpox must align with these values.

## Significance of International Cooperation

- A PHEIC declaration is meant to foster collaboration among countries, international organisations, and non-governmental entities.
- This triggers the rapid mobilisation of financial and technical resources, including emergency funding, medical supplies, and deployment of health-care workers.

### **Vaccine Availability and the Mpox Response**

- One critical difference between the mpox outbreak and COVID-19 is the availability of a vaccine.
- The Modified Vaccinia Ankara-Bavarian Nordic (MVA-BN), also known as Jynneos, is already in production.
- Regulatory authorities in the EU, UK, US, Switzerland, and Canada have approved the MVA-BN vaccine.
- Indian manufacturers are positioned to play a vital role in producing and distributing the vaccine, similar to their contributions during the COVID-19 pandemic with the production of Covishield.

### **Addressing Vaccine Production Challenges**

- The AfricaCDC estimates a need for 10 million doses of the vaccine to combat the outbreak, but only 0.21 million doses are currently available. Bavarian Nordic has the capacity to manufacture 10 million doses by the end of 2025.
- Indian manufacturers like the Serum Institute of India, Bharat Biotech, and Zydus Cadila have the expertise to scale up vaccine production.
- Expanding production will require technology transfers and the sharing of patents, biological resources, and crucial know-how.

### **The Role of Technology Transfers**

- Comprehensive technology transfers are vital for scaling up production, especially in low- and middle-income countries (LMICs), ensuring they are not reliant on "charity" from wealthier nations.
- India's government should negotiate with Bavarian Nordic and collaborate with international organisations like WHO, Gavi, and CEPI to facilitate the transfer of technology and manufacturing capabilities.
- On August 7, India's drug regulatory agency, CDSCO, waived the requirement for clinical trials for drugs and vaccines approved in countries like the US, UK, and EU, which will expedite the availability of critical vaccines like MVA-BN in India.

### **Conclusion**

- The global response to the mpox outbreak presents an opportunity to demonstrate a commitment to equitable health care by ensuring widespread vaccine access, especially to those most in need.
- Prioritising technology transfers and leveraging India's manufacturing capabilities will help prevent further outbreaks and strengthen preparedness for future public health emergencies.

### **Major Learnings from the COVID-19 Pandemic**

- **Vaccine Manufacturing Capabilities:** The COVID-19 pandemic exposed significant gaps in vaccine manufacturing capabilities, particularly in the Global South. This inadequacy was exacerbated by limited technology transfers and a lack of know-how to produce vaccines developed in high-income countries.
  - The current response to the Mpox outbreak reflects similar challenges, emphasizing the need for robust local manufacturing capabilities to ensure equitable access to vaccines.
- **Global Cooperation:** The pandemic underscored the necessity of international collaboration in health emergencies. The WHO's declaration of Mpox as a PHEIC aims to foster this cooperation, encouraging countries and organizations to share information and resources to combat the outbreak.
- **Equity in Health Responses:** The recent amendments to the International Health Regulations (IHR) include equity as a core principle, which is crucial for ensuring that all countries, particularly those in lower-middle-income regions, have access to essential medical products during emergencies.

### About Mpox

- Mpox, also known as monkeypox, is a DNA virus. It belongs to the family Poxviridae, which consists of large, double-stranded DNA viruses.
  - The virus was first identified in monkeys in 1958 but has since been found to infect humans as well.
- **Transmission:** Mpox is primarily transmitted to humans from animals, particularly rodents and primates, through direct contact or through contaminated objects.
- **Symptoms:** Mpox infection in humans typically presents with fever, headache, muscle aches, and a characteristic rash that progresses from macules to papules to vesicles and pustules.
- **Vaccination:** While a vaccine for mpox exists, its availability and effectiveness are limited, highlighting the need for improved prevention and control measures.

### Difference Between Small Pox, Chicken Pox, Mpox

Feature	Smallpox	Monkeypox	Chickenpox
Virus	<i>Variola virus</i>	<i>Monkeypox virus</i>	<i>Varicella-zoster virus (VZV)</i>
Severity	Highly severe, often fatal	Milder than smallpox, rarely fatal	Mild
Status	Eradicated in 1980	Endemic in Central and	Common childhood



		West Africa, cases emerging elsewhere	illness, less common due to vaccination
Transmission	Highly contagious through respiratory droplets and contact with infected lesions	Spread through contact with infected animals, lesions, or bodily fluids	Highly contagious through respiratory droplets and contact with lesions
Symptoms	Fever, headache, severe fatigue, vomiting, followed by a deep-seated, pus-filled rash	Fever, headache, swollen lymph nodes, followed by a rash that progresses through stages	Fever, fatigue, loss of appetite, followed by an itchy, fluid-filled rash
Vaccination	No longer needed	Not routinely recommended, may be given to high-risk individuals	Routine vaccination for children and adults who haven't had chickenpox

**Association of Southeast Asian Nations**

### What is ASEAN?

- The Association of Southeast Asian Nations (ASEAN) is a regional association that was founded to maintain social stability and political equilibrium among Asia's post-colonial states amid escalating conflicts.
- "One Vision, One Identity, One Community" is its motto. The 8<sup>th</sup> of August is celebrated as the ASEAN Day. The ASEAN Secretariat is based in Jakarta, Indonesia.

## ASEAN Member Countries



### Origin of ASEAN

- The ASEAN Declaration (Bangkok Declaration) was signed by the original members of the organization in 1967.
- Indonesia, Malaysia, the Philippines, Singapore, and Thailand are the originating members of ASEAN.

### **Members of the ASEAN**

- ASEAN consists of ten member countries. The ASEAN countries list include the following:
1. Thailand
  2. Singapore
  3. Vietnam
  4. Laos
  5. Indonesia
  6. Myanmar
  7. Philippines
  8. Brunei
  9. Malaysia
  10. Cambodia

### **ASEAN Objectives**

- To encourage proactive engagement and reciprocal support in the social, cultural, economic, scientific, administrative and technological spheres on subjects of shared relevance.
- Maintaining strong and mutually advantageous relationships with current global and territorial organizations.
- To work together more efficiently to maximize the use of agriculture and industry, expand commerce, enhance infrastructure and transportation, and raise citizens' quality of life.
- To encourage the study of Southeast Asian regions.
- To work for a successful and harmonious Southeast Asian neighborhood, to promote economic progress, social improvement, and cultural growth.
- To foster regional harmony and security via an adherence to fairness and by maintaining a system of law, as well as conformity to the United Nations Charter's ideals.