PRS Capsule August 2019

Key Highlights of PRS

Polity

Special Status of Jammu and Kashmir Repealed

- The special status given to **Jammu and Kashmir under Article 370 was repealed** by the central government.
  - According to the **Article 370**, the power of Parliament to legislate with respect to Jammu

    - and Kashmir was restricted to defence, external affairs, communications, and central elections. However, the President could extend other central laws, with the concurrence of the state government.
- A resolution was adopted by Parliament recommending that the provisions of Article 370 be made inoperative and that it be amended to state that all provisions of the Indian Constitution would apply to Jammu and Kashmir.
    - On the basis of this resolution, the President issued a notification making Article 370 inoperative.

The Jammu and Kashmir Reorganisation Bill, 2019

- Parliament passed the **Jammu and Kashmir Reorganisation Bill, 2019.**
- The Bill reorganises the state of Jammu and Kashmir into:
    - The Union Territory of Ladakh without a legislature.
        - The **Union Territory of Ladakh** will comprise Kargil and Leh districts, and
    - The Union Territory of Jammu and Kashmir with a legislature.
        - The **Union Territory of Jammu and Kashmir** will comprise the remaining territories of the existing state of Jammu and Kashmir.

Key Features:

- **Lieutenant Governor:** The Union Territory of Jammu and Kashmir will be administered by the President through an Administrator appointed by him known as the **Lieutenant Governor.**
    - The Union Territory of Ladakh will be administered by the President, through a **Lieutenant Governor** appointed by him.
- The Bill provides for a **Legislative Assembly for the Union Territory of Jammu and Kashmir.**
    - The total number of seats in the Assembly will be 107. Of these, 24 seats will remain vacant on account of certain areas of Jammu and Kashmir being under the occupation of Pakistan.
    - The Assembly may make laws for any part of the Union Territory of Jammu and Kashmir related to:
        - Any matters **specified in the State List of the Constitution,** except “Police” and “Public Order”, and
        - Any matter in the **Concurrent List is** applicable to Union Territories.
    - Further, Parliament will have the power to make laws on any matter for the Union Territory of Jammu and Kashmir.
- **The extent of laws:** The **Schedule lists 106 central laws** that will be made applicable to Union Territories of Jammu and Kashmir and Ladakh on a date notified by the central government.
    - These include the **Aadhaar Act, 2016, the Indian Penal Code, 1860, and the Right to Education Act, 2009.**
    - Further, it repeals 153 state laws of Jammu and Kashmir. In addition, 166 state laws will remain in force, and seven laws will be applicable with amendments.
    - These amendments include lifting of prohibitions on a lease of land to persons who are not permanent residents of Jammu and Kashmir.

Supreme Court (Number of Judges) Amendment Bill, 2019

- The **Supreme Court (Number of Judges) Amendment Bill, 2019** was passed by Parliament. It amends the **Supreme Court (Number of Judges) Act, 1956.**
- The earlier Act fixes the maximum number of judges in the Supreme Court at 30 judges (excluding the Chief Justice of India). The **Bill increases this number from 30 to 33.**

The National Medical Commission Bill, 2019

- The National Medical Commission Bill, 2019 was passed by Parliament. The Bill repeals the **Indian Medical Council Act, 1956** and provides for a medical education system which ensures: (i) availability of adequate and high quality medical professionals, (ii) adoption of the latest medical research by medical professionals, (iii) periodic assessment of medical institutions, and (iv) an effective grievance redressal mechanism.

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Motor Vehicles (Amendment) Bill, 2019

- The **Motor Vehicles (Amendment) Bill, 2019 was passed by Parliament.**
- The Bill seeks to amend the **Motor Vehicles Act, 1988** to provide for road safety.
  - The Act provides for grant of licenses and permits related to motor vehicles, standards for motor vehicles, and penalties for violation of these provisions.
- The Bill provides for recall of vehicles, exempting ‘Good Samaritans’ at an accident from any legal proceedings, regulation of taxi aggregators and increasing penalties for various offences.

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The Dam Safety Bill, 2019

- The **Dam Safety Bill, 2019** was passed by Lok Sabha and is pending in Rajya Sabha. It provides for the surveillance, inspection, operation, and maintenance of specified dams across the country. It also provides for an institutional mechanism to ensure the safety of such dams.

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The Inter-State River Water Disputes (Amendment) Bill, 2019

- The **Inter-State River Water Disputes (Amendment) Bill, 2019** was passed by Lok Sabha and is pending in Rajya Sabha. It amends the **Inter-State River Water Disputes Act, 1956.** The Act provides for the adjudication of disputes relating to waters of inter-state rivers and river valleys.

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Economy

Recommendations of the Bimal Jalan Committee

- The Reserve Bank of India (RBI), in consultation with the central government, had constituted a Committee (Chair: Dr Bimal Jalan) to review the current economic capital framework, in November 2018.
- The **terms and reference** of the Committee included determining whether **RBI is holding reserves in surplus/deficit** and proposing a suitable surplus distribution policy.

Note: The economic capital framework provides a methodology for determining the appropriate level of risk provisions and profit distribution to be made under **Section 47 of the Reserve Bank of India Act, 1934.**

- **Key recommendations:**
  - **Economic capital of a central bank** includes its realised equity and revaluation balances.
  - The realised equity consists of:
    - **Contingency Fund,** which represents provisions made for unforeseen contingencies.
    - **Asset Development Fund,** which represents the amount set aside for investment in subsidiaries and internal capital expenditure.
    - **Capital and Reserve fund.**
- The **current surplus distribution policy** targets only total economic capital. The Committee recommended that the target should also include **realised equity.**

    - The **realised equity** (which would be required to cover monetary, financial stability risks, credit risks and operational risks) must be maintained between **5.5% to 6.5% of the RBI's balance sheet** (current target: 3% to 4%).
        - A **realized gain** results from selling an asset at a price higher than the original purchase price. It occurs when an asset is sold at a level that exceeds its book value cost.
    - The **total economic capital** should be maintained between 20.8% to 25.4% of the balance sheet (current target: 28.1% to 29.1%).
        - **Economic capital** is used for measuring and reporting market and operational risks across a financial organization.
- If the **realised equity** is above the required levels, the entire net income of RBI will be transferred to the government.
    - If it is lower, risk provisioning will be made to the necessary extent and only the residual net income will be transferred.
- This framework may be **reviewed every five years.**
- The RBI Board has accepted all the recommendations of the Committee.
    - Based on accounts for 2018-19, the available realised equity stood at 6.8% of the balance sheet. This is higher than the upper bound recommended by the Committee.
    - The Board decided to maintain the realised equity level at 5.5% of the balance sheet, and transfer the resultant excess risk buffer of Rs 52,637 crore to the government.
- As per the revised framework, the **economic capital of RBI** (as on June 30, 2019) stood at 23.3% of the balance sheet, which is within the range recommended by the Committee.
- Hence, the Board decided to transfer the entire net income for 2018-19, that is Rs 1,23,414 crore, to the government.

Consolidation, Capital Infusion for PSBs

- The Finance Minister, announced several measures related to public sector banks (PSBs).
- This includes **merging 10 PSBs into four PSBs** in order to help banks achieve scale and higher capacity to increase credit.
- The banks to be merged are:
    - **Punjab National Bank, Oriental Bank of Commerce,** and **United Bank of India** will be merged into one bank, with **Punjab National Bank being the anchor bank** (the larger bank with which others will be merged).
        - The resultant bank will be the **second-largest PSB** in the country, with a total business of Rs 17.94 lakh crore.
    - **Canara Bank (anchor bank)** and **Syndicate Bank** will be merged into one bank. This bank will be the fourth largest PSB (total business size of Rs 15.2 lakh crore).
    - **Union Bank of India (anchor bank), Andhra Bank,** and **Corporation Bank of India** will be merged into a single bank, resulting in the fifth-largest PSB (total business size of Rs 14.59 lakh crore).
    - **Indian Bank (anchor bank),** and **Allahabad Bank** will be merged into a single bank, resulting in the **seventh-largest PSB** (total business size of Rs 8.08 lakh crore).
- The Minister also announced **a capital infusion** of Rs 55,250 crore into 10 PSBs. These include Rs 16,000 crore into Punjab National Bank, Rs 11,700 crore into Union Bank of India and Rs 7,000 crore into Bank of Baroda, among others.

Regulatory Sandbox

- The **Reserve Bank of India** released the enabling framework for **Regulatory Sandbox.** An **inter-regulatory Working Group** was set up in 2016 by the RBI to review the regulatory framework in the financial technology sector.
    - The **sandbox provides an environment** which allows market participants to test new products, services or business models with customers in a controlled environment.
    - The **objective of the sandbox** is to foster innovation in financial services, promote efficiency and bring benefits to consumers.

Purpose of the framework:

- The focus of the sandbox will be on encouraging innovations amongst FinTech companies where (a) there is an absence of governing regulations, (b) easing regulations enable the proposed innovation, or (c) the proposed innovation can significantly ease delivery of financial services.
- In view of the above, the draft framework identified an indicative list of innovative products, services and technologies which could be considered for testing under the sandbox.
- These include retail payments, money transfer services, mobile technology applicants, data analytics, financial advisory services, financial inclusion and cybersecurity products.
- The framework also provides that the **FinTech company** should be incorporated in India for participation in **regulatory sandbox.** Financial institutions constituted under a statute are also eligible.
    - Further, the entity should have a minimum net worth of **twenty-five lakh rupees** as per its latest audited balance sheet.
- **Timeline of implementation:** The sandbox process will consist of five stages spanning across 27 weeks.
    - The stages include the preliminary screening of product, test design, application assessment, testing and evaluation.
    - The relaxations provided to the participating companies will expire at the end of this period.
- The implementation will be overseen by the FinTech Unit at the RBI.
- The RBI may discontinue sandbox testing for any product, service or technology at any time if it does not achieve its intended purpose or if it fails to comply with the regulatory requirements.

Lending to NBFCs Classified as Priority Sector

The Reserve Bank of India has **issued guidelines** that **bank credit** to registered **Non-Banking Financial Companies (NBFCs)** for the purpose of on-lending to certain sectors will be eligible to be classified as **priority sector lending.** These sectors include agriculture, micro and small enterprises and housing.

- For **agriculture,** on-lending by NBFCs for term-lending is permitted up to Rs 10 lakh per borrower.
- For **micro and small enterprises,** on-lending by NBFCs is permitted up to Rs 20 lakh per borrower.
- For **housing,** the existing limits for on-lending by NBFCs are to be classified as priority sector has been doubled from **Rs 10 lakh rupees to Rs 20 lakh rupees.**
- The total bank credit to NBFCs for the purpose of on-lending should not exceed 5% of the bank's total priority sector lending.

Insolvency and Bankruptcy Code (Amendment) Bill, 2019

The Insolvency and Bankruptcy Code (Amendment) Bill, 2019 was passed by Rajya Sabha.

- It amends the **Insolvency and Bankruptcy Code, 2016.** The Code provides a time-bound process for resolving insolvency in companies and among individuals.
- **Key features of the Bill include:**
    - **Initiation of resolution process:** The Code states that a financial creditor may file an application before the **National Company Law Tribunal (NCLT)** for initiating the insolvency resolution process. The NCLT must find the existence of default within 14 days. Based on its findings, NCLT may accept or reject the application.
        - The Bill states that in case the NCLT does not find the existence of default and has not passed an order within 14 days, it must record its reasons in writing.
    - **Time-limit for resolution process:** The Code states that the insolvency resolution process must be completed within 180 days, extendable by a period of up to 90 days.
        - The Bill adds that the resolution process **must be completed within 330 days.** This includes the extension period granted and the time taken in legal proceedings in relation to the process.
        - On the enactment of the Bill, if any case is pending for over 330 days, it must be resolved within 90 days.
    - **Resolution plan:** The Code provides that the resolution plan must ensure that the operational creditors receive an amount which should not be less than the amount they

would receive in case of liquidation.
        - The Bill amends this to provide that the amounts to be paid to the operational creditor should be the higher of:
            - Amounts receivable under liquidation, and
            - The amount receivable under a resolution plan, if such amounts were distributed under the same order of priority (as for liquidation).
    - **Representative of financial creditors:** The Code specifies that, in certain cases, such as when the debt is owed to a class of creditors beyond a specified number, the financial creditors will be represented on the committee of creditors by an authorised representative.
        - These representatives will vote on behalf of the financial creditors as per instructions received from them.
        - The Bill states that such representative will vote on the basis of the decision taken by a majority of the voting shares of the creditors that they represent.

Competition Law Review Committee Report

- The **Competition Law Review Committee (Chair: Mr Injeti Srinivas)** submitted its report recommending amendments to the **Competition Act, 2002.**
- In pursuance of its objective of ensuring that Competition Act is in sync with the needs of strong economic fundamentals, the Government has constituted a Competition Law Review Committee to review the Competition Act.
- The Act establishes the **Competition Commission of India (CCI)** to promote competition, prevent anti-competitive practices and protect consumer rights.
- **Key recommendations include:**
    - **Governing body:** The Committee recommended that the Act be amended to provide for a governing body, to strengthen the accountability of the CCI.
        - The governing body will consist of a Chairperson, six whole time members, and six part-time members. The governing body will perform **quasi-legislative functions, drive policy decisions,** and perform a **supervisory role.**
    - **Appellate Authority:** The Committee noted that under the Act, appeals against the orders of the CCI are heard by the **National Company Law Appellate Tribunal.**
        - However, it noted that the Tribunal is overburdened with cases. Therefore, it is recommended that a dedicated bench should be created to hear appeals under the Act.
    - **Settlements:** The Committee noted that remedies may be in the form of settlements and commitments. **Settlements** are generally available for cartels and require an admission of guilt from the parties. **Commitments** apply to all other cases and do not require any admission of guilt.
        - The Committee recommended that the Act be amended to empower CCI to allow settlements and commitments for certain types of anti-competitive agreements (like exclusive supply agreements) and for abuse of dominance.
    - **Green channel notifications:** Under the Act, combinations beyond a certain threshold require the approval of CCI. The Commission recommended a ‘green channel’ route for automatic approval of CCI for specific merger and acquisition cases, where there are no major concerns of an appreciable adverse effect on competition.
        - This **can include** cases under the **Insolvency and Bankruptcy Code.**
    - **Time limits for merger assessment:** The combination regulations notified under the Act require the CCI to provide its preliminary opinion on whether the combination will have an appreciable adverse effect on competition, within 30 days.

High-Level Committee on CSR

- The **High-Level Committee** on **Corporate Social Responsibility** (Chair: Injeti Srinivas) submitted its report.
- Under the **Companies Act, 2013,** companies above a specified net worth are required to **spend 2% of their average net profits in the last three financial years,** towards their CSR policy.
- The Committee made several recommendations on the current CSR framework, ranging from its applicability to operational practices.

- **Key recommendations include:**
    - **Applicability of CSR:** Currently, only companies are required to comply with CSR regulations.
        - The Committee recommended that CSR obligations should be extended to other forms of **business enterprises such as Limited Liability Partnerships and banks.**
    - **CSR Committees:** Under the Act, all CSR eligible companies are required to form CSR Committees.
        - For operational ease, the Committee recommended that companies with CSR funds of below 50 lakh rupees should be exempt from this requirement.
    - **Tax benefits for CSR activities:** To incentivise CSR spending, the Committee recommended that all CSR expenditure should be made deductible from the taxable income of the company.
    - **CSR impact studies:** The Committee recommended that companies having CSR funds of more than five crore rupees in the last three financial years, should undertake impact assessment studies for their CSR projects once in three years, and disclose the same in their board report.
    - **CSR Audit:** The Committee recommended bringing CSR within the **ambit of statutory financial audit,** by requiring disclosure of CSR spending in the financial statements of the company.
    - **Penalties for non-spending:** The Committee made certain recommendations to require companies to transfer unspent CSR funds to a separate account and spend such funds within three to five years, failing which penalties may be imposed upon them.

Note: The recently passed Companies Act, 2019, incorporates these changes, and imposes imprisonment in addition.

Review of FDI policy

- The Union Cabinet approved certain amendments to the Foreign Direct Investment (FDI) policy across various sectors.
- **Key changes to the policy include:**
    - **Coal mining:** At present, **100% FDI under automatic route** is allowed for: (i) coal and lignite mining for captive consumption by power, cement, and iron and steel plants, and (ii) coal processing (though not allowed to sell coal in the open market).
        - The Cabinet allowed **100% FDI under automatic route** for sale of coal, commercial coal mining, and associated processing activities such as coal washing, crushing, and handling.
- **Contract manufacturing:** The current policy allows 100% FDI under the automatic route in the manufacturing sector. In India, manufacturing activities can be conducted either by the investee entity or through contract manufacturing.
    - However, there is no specific provision for contract manufacturing in FDI policy.
        - In this context, **100% FDI under automatic route** will be allowed for contract manufacturing.
- **Single brand retail trading:** Currently, single-brand retailers with over 51% FDI have to locally source 30% of the value of goods sold.
    - The amendments allow for all procurements made from India to be counted towards local sourcing, irrespective of whether the goods are sold in India or exported.
    - Further, the present policy requires all single-brand retailers to operate through brick and mortar stores before starting trading through e-commerce.
    - This has been amended to allow for online retail trading before the opening of brick and mortar stores. However, the retailers will be required to open stores within two years of the start of their online operations.
- **Digital media:** Currently, 49% FDI through the approval route is allowed in uplinking of TV channels broadcasting news and current affairs. The amendments permit **26% FDI under approval route** for uploading and streaming of news and current affairs through digital media.

Criteria for Suspension of Mining Operations

- The **Mineral Conservation and Development Rules, 2017** mandates mining lease holders to undertake sustainable mining practices.
  - **Sustainable mining** refers to the development of minerals and energy resources, onshore and offshore, in a way that maximises the economic and social benefits while minimising the environmental impacts of mining.
- To adopt sustainable mining practices, the Ministry of Mines has prescribed a **Sustainable Development Framework** for mining lease holder.
- The **Indian Bureau of Mines (IBM)** awards a rating from one to five stars to leased mines for their efforts towards the implementation of this framework every year.
  - As per the 2017 Rules, mining operations **can be suspended** by IBM in those mines which have not received **at least four-star rating** within two years of commencement of mining operations.
- The **Ministry of Mines** has amended these 2017 Rules to reduce the minimum rating requirement from four-star to three-star. The period for achieving the required rating has been revised to four years from the date of commencement, or four years from Feb 27, 2017, as applicable.

A joint venture of NALCO, HCL and MECL

- The Ministry of Mines has set up a **joint venture (JV)** namely **Khanij Bidesh India Limited (KABIL)** with the participation of three central public sector enterprises.
  - These are **National Aluminium Company Limited (NALCO), Hindustan Copper Limited (HCL)** and **Mineral Exploration Corporation Limited (MECL).**
- The **objective of 'KABIL'** is to ensure a consistent supply of strategic minerals to the domestic market and work toward the overall objective of import substitution.
  - **Strategic minerals** are those which are **critical to the economy and defence of a country** but are not available in that country in commercially viable quantities.
  - India has identified 12 such minerals including **lithium, cobalt, tin, tungsten and selenium.**
- This JV will carry out identification, exploration, development, mining and processing of strategic minerals overseas for commercial use and meeting India's requirement of these minerals.
- The minerals will be sourced in the following ways:
  - Creation of trading opportunities.
  - Government-to-Government collaborations with the producing countries.
  - Strategic acquisitions or investments in the exploration of mining assets in the source countries.

High-Level Empowered Committee on stressed thermal power projects

- The Ministry of Power had constituted a **High-Level Empowered Committee** to resolve issues related to stressed thermal power assets in July 2018.
- The Union Cabinet approved some of the Committee's recommendations in March 2019.
- The Ministry has released implementation details of some of these recommendations.
  - **Debt servicing of stressed thermal projects:** The Ministry has approved a mechanism to ensure that the debt of stressed thermal power projects is serviced on priority.
  - This will apply to projects using coal linkages under the SHAKTI policy.
    - **The SHAKTI policy** provides for the allocation of coal linkages for the power sector in a transparent manner.
  - The committee had suggested that the net surplus generated by the developer of the stressed thermal power project, after meeting operating expenses, must be used for servicing debt.
- As per the mechanism, all the revenues of the project will be deposited into a **Trust and Retention Account (TRA).** A cash flow monitoring agency will be appointed by lenders, to verify actual cash flow and costs of the project.
- The priority order for expenditure from TRA will be as follows: (i) statutory payments including taxes and duties owed to the government, (ii) fuel cost, (iii) transmission cost, (iv) operation and maintenance expenses, (v) interest payment to lenders, and (vi) principal payment to lenders.

Auction of Coal Linkage

- The Ministry has released a draft methodology for **auction of coal linkages** under the **SHAKTI policy** for the short term.
- The objective of auctioning short term linkages is to cater to the **dynamic requirements** and demand variation in short-term and day-ahead markets.
- The power plants which do not have a **power purchase agreement (PPA)** will be eligible to participate in the auction.
- The duration of linkage will be a minimum of three months and a maximum of one year. This auction will be carried out at frequent intervals (at least twice a year).
- The power generated under these coal linkages will have to be sold in:
    - The day-ahead market and intraday market through power exchanges, and
    - Short term through a transparent bidding process using **Discovery of Efficient Energy Price (DEEP) portal.**
        - The DEEP portal is an e-bidding and e-reverse auction portal for procurement of short term supply of power by distribution companies.

Ocean Energy as a Renewable Energy

- Different types of ocean energy including **tidal energy, wave energy, ocean thermal energy conversion and marine current energy** have been recognised as renewable energy.
- Accordingly, the energy produced using various forms of ocean energy will be eligible for meeting the non-solar **Renewable Purchase Obligations (RPO).**
    - RPO refers to the obligation of certain entities who have to meet a part of their energy consumption by using energy from renewable sources.
- The total identified potential of tidal energy is about 12,455 MW. The total potential of wave energy and ocean thermal energy conversion is 40,000 MW and 1,80,000 MW respectively.

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Security

Committee to review the Defence Procurement Procedure

- The Ministry of Defence has approved setting up a Committee to review the **Defence Procurement Procedure (DPP), 2016** and **Defence Procurement Manual (DPM),** 2009.
- The **objective of the Committee** is to revise and align the procedures to ensure efficient procurement process for defence equipment and strengthen the 'Make in India' initiative. The terms and reference of the Committee include:
    - Revising the procedures in DPP 2016 and DPM 2009 to remove procedural bottlenecks and hasten defence acquisition.
    - Aligning and standardising the provisions in DPP 2016 and DPM 2009 to optimise life cycle support for equipment.
    - Simplifying policy and procedures to facilitate greater participation of the domestic industry.
    - Examining and incorporating new concepts such as life cycle costing, performance-based logistics, and lease contracting.
    - Including provisions to support the 'Make in India' initiative and promote Indian start-ups.
- The Committee is required to submit its **report in six months.**

Re-organisation of Army Headquarters

- The **Ministry of Defence has approved** creating a **separate vigilance cell** under the **chief of army staff.** The cell will include representation from all three services (one colonel-level officer each from the Army, Air Force and Navy).
    - Currently, there is no single agency for vigilance under the Chief of Army Staff.
- Further, a special human rights section will be set up under the **Vice Chief of Army Staff** for enhanced focus on human rights issues.
    - This section will be headed by an **Additional Director General (Major General rank officer)** directly under the Vice Chief of Army Staff.

    - This will be the nodal point to examine any reports of human rights violations.

Social Justice

Childcare Leave Benefits

- The **Ministry of Defence** has approved **extending benefits of childcare leave to single male service personnel.** Presently, such leave is granted only to women officers in defence forces.
- An age limit of 22 years was prescribed for availing child care leave in case of a child with 40% disability. This restriction has now been removed. Further, the minimum period for which childcare leave can be availed at a time has been reduced from 15 days to five days.

The Code on Wages, 2019

- The **Code on Wages, 2019** was passed by Parliament. It seeks to regulate wage and bonus payments in all employments where any industry, trade, business, or manufacturing is carried out.

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Institutions of Eminence Status

- The **University Grants Commission (UGC)** recently recommended 20 higher educational institutions for the status of **'Institutions of Eminence'.**
    - These institutions were selected on the basis of recommendations of the **Empowered Expert Committee** (Chair: Mr. N. Gopalaswami).
    - Of these 20 institutions, 10 are in the public sector and the remaining are in the private sector.
- In February 2018, the UGC constituted an **Empowered Expert Committee** to enable 10 public and 10 private higher educational institutions to emerge as a world-class teaching and research institutions i.e., as Institutions of Eminence.
- These institutions would be allowed greater autonomy in admitting foreign students, fixing fees, and recruiting foreign faculty, among others. Further, each public higher educational institution will get financial assistance of up to Rs 1,000 crore for a period of five years.

The National Institute of Design (Amendment) Bill, 2019

- The **National Institute of Design (Amendment) Bill, 2019** was passed by Rajya Sabha and is pending in Lok Sabha.
    - The Bill seeks to amend the **National Institute of Design Act, 2014,** which declares the **National Institute of Design, Ahmedabad** as an **institution of national importance.**
    - The Bill seeks to declare four **National Institutes of Design** in **Andhra Pradesh, Madhya Pradesh, Assam,** and **Haryana** as **institutions of national importance.**
- Currently, these institutes are registered as **Societies under the Societies Registration Act, 1860** and do not have the power to grant degrees or diplomas.
    - On being declared institutions of national importance, the four institutes will be granted the **power to grant degrees and diplomas.**

Culture

The Jallianwala Bagh National Memorial (Amendment) Bill, 2019

The **Jallianwala Bagh National Memorial (Amendment) Bill, 2019** was passed by Lok Sabha and is pending in Rajya Sabha.

- It amends the **Jallianwala Bagh National Memorial Act, 1951.** The Act provides for the erection of a National Memorial in memory of those killed or wounded on April 13, 1919, in Jallianwala Bagh, Amritsar.

- The Act creates a Trust to manage the National Memorial.
  - **Composition of Trust: Under the 1951 Act,** the Trustees of the Memorial include: (i) the Prime Minister, as Chairperson, (ii) the President of the Indian National Congress, (iii) the Minister-in-charge of Culture, (iv) the Leader of Opposition in Lok Sabha, (v) the Governor of Punjab, (vi) the Chief Minister of Punjab, and (vii) three eminent persons nominated by the central government.
  - The **Jallianwala Bagh National Memorial (Amendment) Bill, 2019** amends this provision to **remove the President of the Indian National Congress as a Trustee.**
  - Further, it clarifies that when there is no Leader of Opposition in Lok Sabha, then **the leader of the single largest opposition party in the Lok Sabha** will be the Trustee.
  - The original Act provides that the **three eminent persons** nominated by the central government will have a term of five years and will be eligible for re-nomination.
    - The Bill adds a proviso to allow the central government to terminate the term of a nominated trustee before the expiry of his term without assigning any reason.

Environment and Ecology

Composite Water Management Index 2019

- **NITI Aayog** has developed the second edition of the **[Composite Water Management Index]** to report the performance of states on key water management components.
  - In its report, it has noted that currently, about 82 crore Indians face water scarcity and about two lakh people die every year due to inadequate access to safe water.
  - In addition, by 2030, the country's water demand is projected to be twice the available supply, implying severe water scarcity and an eventual loss of 6% to the country's GDP.
- Through the Composite Water Management Index, NITI Aayog has:
  - Identified states that are high or under-performers
  - Recognised areas that need deeper investment and engagement.
- The index aims to increase competitiveness among states for water use and conservation and develop a national data management platform for water.
- **Key findings of the report include:**
  - **Food security:** The population of India will be more than 1.5 billion people by 2030. Achieving food security for this rising population becomes more difficult with water scarcity. Many staple crops are being affected by water related issues. For example, about 74% of the area under wheat cultivation and 65% of the area under rice cultivation faces significant water scarcity.
  - **Urban sustainability:** Five of the world's 20 largest cities facing water scarcity are in India. As of 2014, no Indian city supplied 24x7 water to its entire urban population, and only 35% of urban households in India had piped water.
  - **Economic risks:** Estimates suggest that industrial water requirement will increase fourfold between 2005 and 2030. Water shortages can hamper industrial operations, which account for 30% of the national GDP.
  - **Biodiversity risks:** The biodiversity of India is impacted by human activities undertaken to create additional water sources. These activities include dam construction and river diversion which can lead to changes in water flow, salinity levels, and monsoon patterns.
  - **Overall state performance:** In the last three years, about 80% of the states have shown improvement in water management parameters such as groundwater source augmentation and water data reporting.
    - However, 16 states (such as Jharkhand, Bihar, Uttar Pradesh, Odisha and Rajasthan) scored less than 50% of total achievable score. These states account for about 48% of the population, 40% of agricultural produce, and 35% of economic output of India.

State Rooftop Solar Attractiveness Index (SARAL)

- The **Ministry of New and Renewable Energy** has launched the **[State Rooftop Solar Attractiveness Index (SARAL).]**
  - It will rank States based on the measures adopted by them to facilitate rooftop solar

deployment.
    - It seeks to incentivise rooftop solar deployment by creating healthy competition among the states.
    - SARAL will evaluate the following aspects of the development of rooftop solar plants in the state:
        - Robustness of policy framework
        - Implementation environment
        - Investment climate
        - Consumer experience
        - Business ecosystem
- In the rankings announced this month, **Karnataka** has achieved the first rank. Telangana, Gujarat and Andhra Pradesh have achieved 2nd, 3rd and 4th rank respectively.

Ministry of Railways to ban single-use plastic

- The **Ministry of Railways** has announced a ban on usage of **single-use plastic material** from **October 2, 2019.**
    - In addition, all railway vendors must avoid the use of plastic carry bags. Railway staff should reduce, reuse and refuse plastic products.
- IRCTC will implement the return of plastic drinking water bottles as part of **Extended Producer Responsibility (EPR).**
    - **EPR** is a policy approach under which producers are responsible for the treatment or disposal of their products that are no longer deemed useful by consumers. Such responsibility may be financial, physical, or both.

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