



PRS Capsule - December 2023

Key Highlights of PRS

▪ Governance and Social Justice

- Parliament passes the Jammu and Kashmir Reorganisation (Amendment) Bill, 2023
- Parliament passes Bill reserving seats for women in Jammu and Kashmir legislature
- Bill amending the Jammu and Kashmir Reservation Act, passed by Parliament
- Parliament passes Bill reserving seats for women in Puducherry legislature
- Bill regulating the appointments of Election Commissioners passed by Parliament
- Supreme Court upholds the abrogation of Article 370 of the Constitution
- Bill to regulate newspapers and periodicals passed by Parliament
- Bill regulating the functioning of the Post Office passed by Parliament
- Parliament passes Bill to establish a Central University in Telangana
- Standing Committee submits report on Research Based Education in India
- Vision document on logistics, infrastructure and shipping released for 2047
- Standing Committee submits report on Ayushman Bharat
- Report on the promotion of EVs released
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- Wild Life (Protection) International Trade of Specimen Rules, 2023 notified

Governance and Social Justice

Parliament Passes the Jammu and Kashmir Reorganisation (Amendment) Bill, 2023

The primary focus of the [Jammu and Kashmir Reorganisation \(Amendment\) Bill, 2023](#), is to introduce key modifications to the existing legal framework established by the [2019 Act](#).

Key Features of the Bill

▪ **Legislative Assembly Seats**

- The 2019 Act initially stipulated 83 seats in the Jammu and Kashmir Legislative Assembly, with a reservation of **six seats** for [Scheduled Castes](#). Notably, no seats were allocated for [Scheduled Tribes](#).
- The amendment brings a notable change by increasing the total number of seats to 90. Additionally, it reserves seven seats for Scheduled Castes and nine seats for Scheduled Tribes.
- Furthermore, the Act allocates **24 seats** to constituencies in [Pakistani-occupied Jammu and Kashmir](#), underlining a strategic approach to representation.

▪ **Nomination of Kashmiri Migrants**

- Another significant provision introduced by the Bill pertains to the nomination of up to two members from the [Kashmiri migrant community](#) to the Legislative Assembly.

Parliament Passes Bill Reserving Seats for Women in Jammu and Kashmir Legislature

This legislative initiative seeks to introduce amendments to the [Jammu and Kashmir Reorganisation Act of 2019](#), addressing critical aspects of political representation and inclusivity.

▪ **Reservation for Women:**

- A noteworthy provision of the Bill revolves around the reservation of **one-third** of all elected seats in the Jammu and Kashmir Legislative Assembly [for women](#).
- Importantly, this reservation extends to seats earmarked for Scheduled Castes and Scheduled Tribes in the Assembly.

▪ **Commencement and Duration of Reservation:**

- The effective implementation of the reservation is contingent upon the publication of the census conducted after the commencement of the Bill.
- Subsequently, a meticulous [delimitation process](#) will be undertaken to allocate seats dedicated to women based on the census data.
- The reservation will remain in force **for 15 years**. However, the continuity beyond this timeframe is subject to the determination of a specific date by a law enacted by the Parliament.

Bill Amending the Jammu and Kashmir Reservation Act, Passed by Parliament

This amendment pertains to the [Jammu and Kashmir Reservation Act, 2004](#), which addresses the crucial aspects of job reservations and admissions to professional institutions for specific social groups.

▪ **Categories Under the Act:**

- Under the existing Jammu and Kashmir Reservation Act, 2004, socially and educationally backward classes comprise **individuals** residing in socially and educationally backward villages as declared by the Union Territory of Jammu and Kashmir.
- Additionally, it encompasses those residing in areas adjacent to the [Actual Line of Control and International Border](#), along with weak and underprivileged classes (social castes) as officially notified.
- The **Act empowers** the central government to modify these categories based on the **recommendations of a Commission**.

▪ **Amendments Introduced by the Bill:**

- The recent Bill brings a transformative change by substituting the term "**weak and underprivileged classes**" with "[other backward classes](#)" as designated by the Union Territory of Jammu and Kashmir.
- Furthermore, the amendment involves the removal of the definition of weak and underprivileged classes from the Act. This nuanced shift in terminology and categorization aims to streamline and align the reservation framework with contemporary socio-economic considerations.

Parliament Passes Bill Reserving Seats for Women in Puducherry Legislature

The [Government of Union Territories \(Amendment\) Bill, 2023](#), strategically amends the [Government of Union Territories Act, 1963](#), with a particular focus on enhancing representation and inclusivity within the Legislative Assemblies.

- **Amendments to the Government of Union Territories Act, 1963:**
 - The primary objective of the Bill is to modify the existing framework established by the [Government of Union Territories Act, 1963](#).
- **Reservations for Women in Puducherry Legislative Assembly:**
 - One of the notable amendments introduced by the Bill pertains to the reservation of **one-third** of all elected seats in the Puducherry Legislative Assembly **for women**.
 - This progressive step extends to seats reserved for Scheduled Castes and Scheduled Tribes in the Assembly, aiming to address historical disparities and promote gender equality in political representation.
- **Commencement and Duration of Reservation:**
 - The implementation of the reservation for women in the [Puducherry Legislative Assembly](#) will take effect following the publication of the census conducted post the enactment of this Bill.
 - Delimitation, based on the census data, will be undertaken to allocate seats for women, and this reservation will persist for a defined **period of 15 years**. However, the continuity beyond this timeframe is subject to the determination of Parliament through subsequent legislation.
- **Rotation of Seats for Women:**
 - A key feature of the Bill is the provision for the **rotation of seats** reserved for women after each delimitation.

Bill Regulating the Appointments of Election Commissioners Passed by Parliament

The [Chief Election Commissioner And Other Election Commissioners \(Appointment, Conditions Of Service And Term Of Office\) Bill, 2023](#), supersedes the [Election Commission \(Conditions of Service of Election Commissioners and Transaction of Business\) Act, 1991](#), outlining a structured framework for the appointment, conditions of service, and term of office for the [Chief Election Commissioner \(CEC\)](#) and other [Election Commissioners](#).

- **Appointment Procedure:**
 - According to the constitutional provisions, the President holds the authority to appoint the [CEC and other Election Commissioners](#). The newly enacted bill delineates a comprehensive procedure for this appointment process, emphasizing the pivotal role of a [Selection Committee](#).
 - The President is directed to make appointments based on the recommendations furnished by the Selection Committee.
- **Composition of Selection Committee:**
 - The Selection Committee comprises the [Prime Minister](#) as the Chairperson, the **Leader of the Opposition in Lok Sabha** as a member, and a [Union Cabinet Minister](#) appointed by the Prime Minister as a member.
 - In the absence of a recognized Leader of the Opposition, the leader of the single largest opposition party in Lok Sabha assumes the role.
- **Search Committee and Qualifications:**
 - A parallel Search Committee, led by the [Minister of Law and Justice](#) and featuring two Secretary-level members, is tasked with preparing a panel of potential candidates.
 - This panel is then presented to the **Selection Committee**, which reserves the right to consider individuals not included in the Search Committee's recommendations.
 - The bill also stipulates qualifications for the **CEC and Election Commissioners**, requiring candidates to have experience equivalent to the rank of Secretary to the central government and expertise in election management.
- **Conditions of Service:**
 - The bill addresses the conditions of service for the CEC, specifying that the salary should be commensurate with that of a [Supreme Court Judge](#).
 - Additional aspects such as medical facilities and travel allowances are left to the discretion

of the President, who will determine these through established rules.

Supreme Court Upholds the Abrogation of Article 370 of the Constitution

The recent judgement by a five-judge Constitution Bench of the Supreme Court marks a significant legal milestone, focusing on the [abrogation of Article 370](#) of the Indian Constitution.

▪ Supreme Court's Verdict:

- The Supreme Court's ruling upheld the abrogation of Article 370 on various grounds. It clarified that the erstwhile state of Jammu and Kashmir **lacked** [sovereignty](#), emphasizing that Article 370 was a temporary provision.
- The court affirmed the President's authority to declare the cessation of Article 370 without the Constituent Assembly's recommendation, which had been dissolved. Furthermore, it established [Parliament's jurisdiction](#) to exercise the powers of the [State Legislature](#) for both legislative and non-legislative purposes.
- The court declared the Constitution of Jammu and Kashmir as inoperative and redundant.

▪ Future Implications and Directions:

- Addressing the potential restoration of Jammu and Kashmir's statehood, the Court refrained from ruling on the constitutional validity of reorganizing the state into two union territories. However, it acknowledged the [Solicitor General's](#) submission regarding the imminent **restoration of statehood**.
- The Supreme Court directed the [Election Commission](#) to conduct legislative assembly elections in Jammu and Kashmir by September 30, 2024, and expressed the expectation that the statehood be restored expeditiously.

Bill to Regulate Newspapers and Periodicals Passed by Parliament

The [Press and Registration of Periodicals Bill, 2023](#), repeals the outdated [Press and Registration of Books Act, 1867](#), and introduces **key provisions** aimed at modernizing the registration process and addressing contemporary challenges in the media landscape.

▪ Key Features:

- **Registration of Periodicals:**
 - The Act brings forth a crucial change by emphasizing the **registration of periodicals**, broadening the scope to include any publication containing public news or comments on public news. Notably, periodicals, as defined in the Bill, **exclude books and scientific or academic journals**.
- **Foreign Periodicals:**
 - An important aspect of the Bill pertains to the **reproduction of foreign periodicals within India**, which now **requires prior approval** from the central government.
- **Press Registrar General:**
 - The establishment of the [Press Registrar General of India](#) to **issue registration certificates** for all periodicals. It **maintains a register** of periodicals, formulating guidelines for title admissibility, verifying circulation figures, and exercising authority over registration status.

Bill Regulating the Functioning of the Post Office Passed by Parliament

The primary objective of the [Post Office Bill, 2023](#), is the repeal and replacement of the antiquated [Indian Post Office Act, 1898](#).

▪ Key Features of the Bill:

- The **Post Office Bill, 2023**, encompasses noteworthy features that **redefine the privileges**, powers, and penalties associated with postal services. Key aspects include the removal of certain privileges of the central government, **empowerment for intercepting shipments**, and the **elimination of offenses** and penalties, except for one specific provision.

▪ **Removal of Certain Privileges:**

- The Bill does away with certain privileges granted to the central government under the previous Act. Notably, the exclusive privilege of conveying letters and related services is no longer conferred, except for the **issuance of postage stamps**, which remains under the central government's exclusive domain.

▪ **Power to Intercept Shipments:**

- An essential component of the Post Office Bill is the empowerment to intercept shipments transmitted through the postal system. The grounds for interception include **matters of national security**, friendly relations with foreign states, public order, emergencies, public safety, or contravention of the provisions of the Bill or other laws. Such interceptions can be carried out by the central government, state governments, or authorized officers.

▪ **Removal of Offences and Penalties:**

- Unlike its predecessor, the Indian Post Office Act, the Post Office Bill, 2023, eliminates various offences and penalties associated with postal activities. The **Jan Vishwas (Amendment of Provisions) Act, 2023**, played a role in amending the 1898 Act, paving the way for a **legal framework without punitive measures**, except for the recovery of unpaid amounts as arrears of land revenue.

Parliament Passes Bill to Establish a Central University in Telangana

The **Central Universities (Amendment) Bill, 2023**, recently passed by Parliament, brings significant changes to the **Central Universities Act, 2009**. This amendment aims to establish a new **Central Tribal University in Telangana**, named the '**Sammakka Sarakka Central Tribal University**,' with a focus on providing higher education and research opportunities to the tribal population.

▪ **Establishment of Central Tribal University in Telangana:**

- This university is designated to serve as a **hub for teaching and research**, catering primarily to the educational needs of the tribal population in India. The territorial jurisdiction of the university is **limited to Telangana**.

▪ **Legislative Background:**

- The amendment aligns with the **Andhra Pradesh Reorganisation Act, 2014**, which mandates the central government to establish a Tribal University in the state of Telangana.

Standing Committee Submits Report on Research-Based Education in India

The **Standing Committee on Education, Women, Children, Youth, and Sports** recently presented its comprehensive report on '**Research Based Education and Anusandhan Scenario in Sciences and Related Fields**'.

▪ **Recommendations:**

◦ **Overheads in Research:**

- The committee **highlights the considerable costs** associated with maintaining **research infrastructure**, proposing increased public funding to address the shortfall.
- It advocates for a **structured support scheme** to cater to operational costs, ensuring sustainable research environments.

◦ **Knowledge-Exchange and Mentorship:**

- Recommending **mentorship programs**, the committee suggests that **established institutions** like IITs, NITs, and IISER **collaborate** with newer counterparts to facilitate knowledge exchange and resource sharing.
- Extending this recommendation to reputed Central Universities, the committee envisions a **collaborative approach** that elevates research standards across institutions.

◦ **Prime Minister's Research Fellows:**

- Acknowledging the **positive impact** of the **Prime Minister's Research Fellowship**, the committee **proposes a significant increase** in the number of fellowships offered and grants disbursed.

◦ **Space Research and Technological Advancements:**

- Recognizing the multifaceted benefits of space research, the committee

recommends the **introduction of specialized courses** in space sciences.

- Collaboration between universities and space research organizations, along with initiatives like **internships and workshops**, is suggested to foster interest and participation in space research.

Vision Document on Logistics, Infrastructure, and Shipping Released for 2047

The [Ministry of Ports, Shipping, and Waterways](#) recently unveiled the [Amrit Kaal Vision 2047](#), outlining a comprehensive strategy for the enhancement of **logistics, infrastructure, and shipping in India**.

▪ Key Themes and Action Points:

- Within the framework of the **Amrit Kaal Vision 2047**, the document identifies **11 crucial themes**, each accompanied by specific action points. These themes **encompass critical aspects** such as **boosting India's tonnage, leveraging technology and innovation** for increased efficiency, establishing **world-class ports**, positioning the country as a global player in shipbuilding, repair, and recycling, enhancing the modal share of coastal shipping and inland water transport, and promoting the ocean, coastal, and river cruise sector.

▪ Coordination and Governance:

- A primary focus of the document is to establish a **robust foundation for maritime governance**, emphasizing the need for **seamless coordination** between various stakeholders, administrative authorities, and coastal communities.
- This **collaborative approach** is expected to drive the successful implementation of the outlined action points, fostering a **holistic and sustainable development of India's maritime sector**.

Standing Committee Submits Report on Ayushman Bharat

The focus of the report centers on the [Ayushman Bharat - Pradhan Mantri Jan Aarogya Yojana \(AB-PMJAY\)](#), which seeks to provide health coverage of five lakh rupees per family per year for secondary and tertiary care hospitalization, targeting approximately 11 crore poor and vulnerable families based on the [Socio-Economic Caste Census, 2011](#).

▪ Observations and Recommendations:

- **Allocation of Funds:**
 - The committee emphasizes the need to elevate the **overall health expenditure** beyond the existing **2.1% of the GDP**.
- **Under-utilization Concerns:**
 - Highlighting concerns about the **under-utilization of funds under AB-PMJAY**, the committee suggests an increase in the budget allocation, proposing the incorporation of old healthcare schemes into AB-PMJAY to optimize resources effectively.
- **Expansion of Beneficiaries:**
 - In aligning with the **Affordable Care Act of the US**, the committee proposes a broader inclusion of beneficiaries in PMJAY, suggesting considerations for those above the **poverty line**.
- **Enhancing Empanelment:**
 - The committee points out discrepancies in the **empanelment of healthcare providers**, urging **mandatory inclusion of hospitals** availing tax benefits, those receiving land grants, or those affiliated with medical colleges.

Report on the Promotion of EVs Released

The **Standing Committee on Industry** unveiled its comprehensive report addressing the '[Promotion of Electric Vehicles in the Country](#).'

▪ FAME Scheme: Enhancing EV Adoption:

- The Committee identified a **shortfall in meeting the initial targets of the [Faster Adoption and Manufacturing of Electric \(and Hybrid\) Vehicles \(FAME-II\) Scheme](#)** and thus suggested **extending the scheme by at least three years**. Additionally, they advocated **broadening its scope** to encompass more four-wheeler EVs, incorporating a cap based on vehicle cost and battery capacity.
- **Charging Infrastructure: Addressing Gaps:**
 - The Committee's scrutiny extended to the **charging infrastructure**, noting a disparity between **sanctioned** and **established** charging stations under FAME-II. With 22,000 stations sanctioned and 7,432 operational, the report recommends incentivizing the establishment of charging stations for various entities, including individual investors, **women's [self-help groups](#)**, and **[cooperative societies](#)**.
 - Furthermore, a proposal was made for the Ministry of Heavy Industries to explore **battery standardization feasibility** and formulate a policy on **[battery swapping technology](#)**.
- **Cost of EVs: Mitigating Financial Barriers:**
 - Recognizing the prevailing financial barriers, the Committee highlighted the relatively **higher cost of owning EVs** compared to traditional **internal combustion engine vehicles**. To alleviate this, the report emphasizes extending the **[Income Tax Act's benefit](#)** allowing tax savings on EV loan interest until at least March 31, 2025.
 - Additionally, the Committee proposed a **reduction in the [Goods and Services Tax \(GST\)](#)** levied on batteries by the central government to alleviate the financial burden on EV ownership.

Standing Committee Submits Report Reviewing the National Child Labour Policy

The **Standing Committee on Labour, Textiles, and Skill Development**, recently released its comprehensive report titled 'National Policy on Child Labour – An Assessment.'

- **Prevalence of Child Labour:**
 - One significant aspect highlighted in the report is the **[prevalence of child labour](#)**, with the **[2011 Census](#)** revealing alarming statistics. Approximately one crore working children, aged 5-15, were identified.
 - The Committee recommends **collaborative efforts among ministries** to conduct periodic surveys for accurate estimates, emphasizing accountability for principal employers when contractors hire child labour.
- **Preventing Instances of Child Labour:**
 - The Committee stresses the **pivotal role of the [Ministry of Social Justice](#)** in combating child labour, proposing enhanced **economic upliftment measures**.
 - Recommendations include **strengthening existing schemes**, offering **free competitive exam coaching** to marginalized children, and addressing substance abuse issues for effective rehabilitation.
 - Additionally, the **[Ministry of Housing Affairs](#)** is urged to ensure that legal benefits reach construction workers, preventing their children from being pushed into labour.
- **Rescuing Child Labourers:**
 - The report acknowledges the commendable efforts in **rescuing** approximately **two lakh child labourers** over the **past five years**. However, it raises concerns about the limited number of registered FIRs and children produced before **[Child Welfare Committees](#)**.
 - To address this, the Committee suggests **penalizing police officers** for not **registering FIRs**, drawing parallels with the **[Protection of Children from Sexual Offences Act, 2012](#)**.

Cabinet Approves Mandatory Use of Jute Bags for Packaging Foodgrains

- The **[Cabinet Committee on Economic Affairs](#)** has recently granted approval for **reservation norms** mandating the **obligatory utilization of jute in packaging**, in accordance with the **[Jute Packaging Materials \(Compulsory Use in Packaging Commodities\) Act of 1987](#)**.
- **Reservation Norms Overview:**
 - Under the newly approved norms, it is stipulated that **all foodgrains and a specific**

percentage (20%) of sugar must be packaged **exclusively in jute bags**. These regulations, designed to promote the use of jute in packaging, have been instituted for the jute year 2023-24, spanning from July 2023 to June 2024.

Standing Committee Submits Report on Promotion and Development of Pesticides

The **Standing Committee on Chemicals and Fertilizers**, recently released a comprehensive report addressing critical aspects of the **promotion, development**, and safe usage of **insecticides and pesticides**.

▪ Key Observations and Recommendations:

◦ **Appropriate Administration of Pesticide Laws:**

- Pesticides fall under the **Insecticides Act of 1968**, regulated by the **Department of Agriculture and Farmers Welfare**. However, the committee recommends transferring the administration of agrochemical-related provisions to the **Chemicals Department**, acknowledging its vital role in the **pesticide regulatory framework**.

◦ **Balancing Pesticide Use:**

- Recognizing the importance of pesticides in preventing agricultural losses, the committee emphasizes the **need to address the potential harm** caused by their extensive use.
- It stresses the **importance of stringent implementation** of pesticide promotion measures to maintain a **balanced approach** that prevents pollution and health hazards.

◦ **Boosting Pesticide Industry:**

- Despite India being the **second-largest agricultural product producer** globally, pesticide consumption per hectare remains significantly lower compared to other countries. The committee suggests studying the agricultural practices of nations like **Japan and China** and initiating measures to bolster the **Indian pesticide industry**, considering the more intensive agricultural practices in these countries.

Standing Committee Submits Report on Working of DRDO

The **Standing Committee on Defence** recently presented its report on the functioning of the **Defence Research and Development Organisation (DRDO)**.

▪ **Research Budget Concerns:**

- The research **budget allocated to the Department of Defence** in the past two years has fallen short of the requested amount.
- The Committee advocates for **increased budgetary grants to DRDO** to propel India into a global leadership position in **defence technology**. Moreover, concerns were raised about the utilization of funds for existing R&D activities, suggesting the need for defense PSUs to establish in-house R&D centers.

▪ **Delayed Projects:**

- The Committee expresses apprehension over project delays, **citing that out of 55 projects, 23 could not be completed on time**.
- The report recommends a **thorough review of existing mechanisms to address delays and cost overruns**, emphasizing the inclusion of technical personnel and standardized evaluation criteria.

▪ **Indigenization Challenges:**

- Despite DRDO's efforts to develop new technology and systems based on evolving threat perceptions, the **Committee highlights** India's persistent dependence on **foreign military platforms**.
- The report foresees a **potential 80%-90% indigenization** within the next decade but underscores the need for **greater professionalism in defense planning**, improved management of research and development, and prioritization of self-reliance.
 - The Committee warns that continued reliance on **imported weapon systems** may

impede the success of the Make in India initiative.

Committee Report on G-20 Released

The [Standing Committee on External Affairs](#) recently presented a comprehensive report on '**India's Engagement with G20 Countries.**' The report sheds light on key observations and recommendations arising from the [18th G-20 Summit](#) hosted by India on September 9-10, 2023.

▪ Key Observations and Recommendations:

◦ **Crypto Assets Framework:**

- The Committee highlighted the **absence of a comprehensive regulatory framework for crypto assets** in most **G20 member countries**.
- G20 nations adopted a synthesis paper by the [IMF and Financial Stability Board](#), outlining regulatory guidelines for crypto assets.
- The Committee urged the government to evaluate the paper's recommendations and implement a **comprehensive regulatory framework**.
- Additionally, it recommended the **introduction of a [crypto asset](#) reporting framework** among G20 members to prevent tax evasion through non-financial assets.

◦ **India-Middle East-Europe Economic Corridor (IMEC):**

- The [IMEC](#), initiated during the **G20 Summit in India**, aims to facilitate the exchange of goods and services between [Europe and Asia](#).
- The Committee emphasized the need to operationalize the corridor according to set timelines, promoting economic integration between **Asia, the [Arabian Gulf](#), and Europe**.

◦ **Global Biofuels Alliance:**

- Launched on the sidelines of the G20 Summit, the [Global Biofuels Alliance](#) seeks to accelerate the adoption of biofuels through technology advancements, sustainable utilization, and standards and certifications.
- Recognizing the [ethanol market's rapid growth](#), the Committee recommended that India seize the opportunity by actively engaging with Alliance members, and **addressing challenges promptly**.

Standing Committee Submits Report on Import of Crude Oil

The **Standing Committee on Petroleum and Natural Gas** recently presented its report focusing on the '**Review of Policy on Import of Crude Oil.**'

▪ **Diversification of Sources for Energy Security:**

- One of the primary concerns highlighted by the Committee is the **over-reliance on [hydrocarbon imports](#)** from the [Middle East](#), a region prone to geopolitical tensions.
- Recognizing the **potential disruptions in supply**, the Committee emphasizes the need for diversifying crude oil and gas imports.

▪ **Reducing Import Dependence:**

- The Committee's report underscores the alarming fact that **India imported approximately 87%** of its **crude oil** consumption in the fiscal year 2022-23.
- Anticipating a surge in the demand for petroleum products, the report **advocates for a comprehensive approach** outlined by the government, focusing on **increasing domestic production, promoting [biofuels and renewable energy](#)**, enhancing energy efficiency, and refining processes.
- Additionally, the Committee recommends the **Ministry's active promotion of [green hydrogen](#)**, electric vehicles, and biofuels, with the establishment of an interdisciplinary group of experts to formulate policies aimed at reducing the demand for fossil fuels.

Scheme For Engagement of Private Agencies for Exploration of Strategic Minerals Notified

The **Ministry of Mines** has recently **introduced a scheme** to **engage private agencies** in

the **exploration of critical and strategic minerals**, as defined by the [Mines and Minerals \(Development and Regulation\) Act, 1957](#). These minerals, including **lithium, nickel, cobalt, selenium, platinum, and gold**, hold immense importance, and the scheme aims to enhance their exploration while providing funding through the [National Mineral Exploration Trust \(NMET\)](#).

▪ **Key Minerals and Objective:**

- Critical and strategic minerals, outlined in the Act, form the focal point of the scheme, seeking to intensify exploration efforts in these crucial resources. This initiative **aligns with the broader goal** of ensuring a sustainable and secure supply of these minerals.

▪ **Approval Process:**

- Interested private agencies can **select exploration areas** based on geoscience data and submit proposals to NMET. The approval process involves a swift review, with NMET forwarding applications to the [Geological Survey of India](#) and concerned state governments for comments.
- Following a transparent evaluation, **NMET is obligated to grant in-principle approval or rejection** within a defined timeframe, emphasizing efficiency in decision-making.

▪ **Terms and Conditions for Concessions:**

- While exploration approval doesn't **confer mineral concession rights**, agencies can participate in mineral concession auctions over the explored areas.
- Transparency is emphasized, with any related parties involved in the auction declared in advance.

▪ **Advance Funding for Exploration:**

- NMET commits to funding approved projects at various exploration stages, including **reconnaissance surveys**, preliminary exploration, general exploration, and detailed exploration.
- Agencies can avail up to 30% of the project cost as an advance from NMET, provided they submit a corresponding bank guarantee, establishing a balance between **financial support and accountability**.

Comments Invited on Rules Regarding Concessions for Minerals in Offshore Areas

The **Ministry of Mines** has recently unveiled two significant draft rules, namely the **Offshore Areas Mineral (Auction) Rules, 2023**, and the [Offshore Areas Minerals \(Existence of Mineral Resources\) Rules, 2023](#). These regulations, enacted under the [Offshore Areas Mineral \(Development and Regulation\) Act, 2002](#), focus on governing mining activities within maritime zones.

▪ **Key Features of Draft Rules:**

- **Auction Mechanism for Concessions:**
 - The draft rules introduce a **competitive bidding process** for granting concessions in offshore areas.
- **Two Types of Concessions are Outlined:**
 - Composite license, encompassing exploration and mining rights, and
 - Production lease, specifically for mining activities.
- **Concession auctions** will set a reserve price, determined as a minimum percentage of the dispatched mineral's value.
- **Mineral value calculation** involves the monthly dispatched quantity multiplied by the mineral's sale price published by the Indian Bureau of Mines.
- **Identification of Concession Areas:**
 - For a production lease, the area must undergo general exploration and have a completed **geological study report**.
 - General exploration establishes crucial geological features, including size, shape, structure, quantity, and **grade of mineralized zones**.
 - A **composite license** is eligible for areas where reconnaissance surveys are completed, or mineral potential is identified based on existing geoscience data, awaiting resource confirmation.
 - **Reconnaissance surveys** involve preliminary assessments to locate mineral resources.

Standing Committee Submits Report on Protection of Consumer Rights in Northeast

The **Standing Committee on Consumer Affairs, Food and Public Distribution** has recently presented its comprehensive report focusing on '**Initiatives in the North East in the Field of Consumer Rights Protection.**'

▪ Consumer Protection Councils:

- One noteworthy recommendation involves **Consumer Protection Councils**, entities crucial for safeguarding consumer interests.
- The committee identified a deficiency in the functionality of **State and District Consumer Protection Councils in the North East**, emphasizing their inadequate establishment and irregular meetings.
- The committee strongly urged the central government to take measures to ensure the effective establishment and regular functioning of these councils.

▪ Consumer Commissions:

- The committee delved into the **infrastructure of Consumer Commissions** in the **North East**, administered by the central government through specific schemes. While noting that only four northeastern states sought financial assistance in 2022-23, the committee recommended a **twofold approach**.
- Firstly, a comprehensive assessment of the functioning and infrastructure of Consumer Commissions in the North East was proposed.
- Secondly, the committee advised the Ministry to **provide essential central assistance** to enhance the effectiveness of these commissions.

▪ Labs for Legal Metrology:

- Highlighting the significance of **legal metrology**, which sets standards for weights and measures, the committee pointed out a geographical disparity in the availability of regional labs in the Northeast.
- With **only Assam possessing such a lab**, the committee advocated for the establishment of additional labs in consideration of the Northeast's expansive geographical size.

Economy

Indis's Macroeconomic Development

▪ Current Account Dynamics: Q2 2023-24

- India's **current account** for the second quarter (July-September) of 2023-24 displayed a noteworthy improvement, recording a deficit of USD 8.3 billion, equivalent to 1% of the GDP.
- This figure represents a significant reduction compared to the previous year's corresponding quarter, which reported a deficit of USD 30.9 billion, equivalent to 3.8% of the GDP (2022-23).

▪ Quarterly Fluctuations in Current Account Deficit

- In the initial quarter (April-June) of 2023-24, the **current account deficit** slightly increased to USD 9.2 billion, representing **1.1% of the GDP**.
- This contrasts with the positive trend observed in the second quarter, emphasizing the dynamism in India's economic performance.

▪ Merchandise Trade Balance: Q2 2023-24

- A positive shift was observed in the **merchandise trade balance** as the deficit decreased from USD 78.3 billion in the second quarter of 2022-23 to USD 61 billion in the second quarter of 2023-24.
- This highlights an encouraging trend in trade dynamics.

▪ Capital Account Resilience

- The **capital account** demonstrated resilience, recording a net inflow of USD 9.9 billion in the second quarter of 2023-24, in stark contrast to the net inflow of USD 1.5 billion reported in the corresponding quarter of 2022-23.
- The first quarter of 2023-24 showcased an even more robust performance with a net inflow

of USD 34.3 billion.

- **Foreign Exchange Reserves: Q2 2023-24**

- Foreign exchange reserves witnessed a positive surge, increasing by USD 2.5 billion in the second quarter of 2023-24. This stands in stark contrast to the previous year's corresponding quarter, which saw a decrease of USD 30.4 billion.
- The positive momentum in the first quarter of 2023-24, with an increase of USD 24.4 billion in foreign exchange reserves, further emphasizes the resilience of India's economic position.

Bill Replacing Provisional Collection of Taxes Act Passed by Parliament

The newly passed Bill serves as the legislative instrument for the repeal of the antiquated [Provisional Collection of Taxes Act, 1931](#). This historic repeal is a pivotal step towards aligning tax administration with contemporary needs, discarding outdated provisions, and streamlining the taxation process.

- **Retention of Key Provisions:**

- Despite its repeal of the 1931 Act, the [Provisional Collection of Taxes Bill, 2023](#), preserves and incorporates essential provisions enshrined in its predecessor.

- **Constitutional Imperatives:**

- Within the constitutional framework, the **imposition of taxes mandates a specific legal foundation**. The Provisional Collection of Taxes Act, 2023, fulfills this requirement by **empowering the imposition of excise or customs duty** proposed in a bill even before its formal enactment.
- This legal mechanism ensures a **seamless transition** between legislative intent and fiscal implementation.

- **Duration and Impact:**

- Underlining its temporal scope, the Act empowers the imposition of taxes for a stipulated period, either until the relevant bill is officially passed or a **maximum duration of 75 days** after its introduction.
- This provision adds a **dynamic dimension to tax implementation**, enabling responsive fiscal measures while respecting the legislative process.

Bill Amending Central Goods and Services Act Passed by Parliament

The [Central Goods and Services Tax \(Second Amendment\) Bill, 2023](#) introduces amendments to the existing [Central Goods and Services Tax \(CGST\) Act of 2017](#), shaping the landscape of taxation on **intra-state supplies of goods and services**.

- **Amendments to the CGST Act, 2017:**

- The focal point of the Central Goods and Services Tax (Second Amendment) Bill, 2023, lies in its **modifications to the CGST Act, 2017**.
- This foundational legislation delineates the framework for the imposition and collection of CGST on transactions involving the supply of goods and services within the boundaries of a single state.

- **Changes to Qualifications for Judicial Members:**

- A notable **alteration** brought about by the Bill pertains to the qualifications requisite for the appointment of judicial members to the [GST Appellate Tribunal](#).
- The amendment **broadens the eligibility criteria**, allowing **advocates with a minimum of 10 years** of professional experience to qualify for such appointments.
- This shift marks a significant departure from the previous norms and seeks to **enhance the expertise** within the Tribunal.

RBI Issues Draft Framework for Self-Regulator Organizations

The [Reserve Bank of India \(RBI\)](#) has recently unveiled a **draft framework** aimed at **recognizing self-regulatory organizations (SROs)** within the **regulated entities sector**. This strategic move comes in response to the escalating number and scale of regulated entities, prompting the need for enhanced industry standards in the realm of **self-regulation**.

▪ **Need for Industry Standards:**

- With the landscape encompassing entities regulated by the RBI, such as banks, **non-banking finance companies**, and **payment system operators**, the introduction of SROs is seen as a **crucial step** in fortifying the **effectiveness of regulations**. SROs, leveraging their technical expertise, play a pivotal role in shaping regulatory policies to meet the evolving demands of the industry.

▪ **Key Framework Features:**

- **Recognition Process:** Interested SROs can seek recognition by meeting specified eligibility criteria, including **not-for-profit status**, sector representation, and directorial attributes of professional competence, **financial soundness**, and a reputation for fairness and integrity.
- **Adherence to Principles:** SROs are mandated to derive authority from membership agreements to establish **ethical and governance standards**. They must also employ objective and consultative processes for rule-making, develop **compliance-improving standards**, and employ effective surveillance methods.
- **Responsibilities towards Members:** The primary focus of SROs is to promote best business practices among members. This involves framing and monitoring a code of conduct, creating a **uniform membership fee structure**, establishing a grievance redressal and dispute resolution/arbitration framework, and fostering awareness of statutory/regulatory provisions.
- **Membership Criteria:** SROs are encouraged to have a **diverse membership at all levels**, ensuring holistic representation of the sector. Voluntary in nature, the minimum prescribed membership should be achieved within two years of recognition.

RBI Issues Draft Licensing Framework for Authorised Persons Under FEMA

The **Reserve Bank of India (RBI)** has recently unveiled a **draft licensing framework** aimed at regulating authorized entities under the **Foreign Exchange Management Act (FEMA), 1999**. This framework is designed to govern individuals and institutions dealing in foreign exchange or securities, ensuring compliance with RBI regulations.

▪ **Overview of FEMA and Authorized Persons:**

- Under FEMA, **only individuals authorized by the RBI** are permitted to engage in **foreign exchange** or securities transactions. These authorized entities may take on various roles such as authorized dealers, money changers, or **off-shore** banking units, each serving a distinct function in the financial landscape.

▪ **Liberalization of Foreign Exchange Regulations:**

- With the liberalization of foreign exchange regulations, the RBI acknowledges that a significant portion of transactions can now be conducted without direct intervention from the central bank.
 - This section outlines key proposals, including the introduction of a new category of money changers known as forex correspondents operating under an agency model.

▪ **Perpetual Authorization and Trade Facilitation:**

- This section focuses on the proposed changes in the authorization period for Category-II authorized dealers.
 - The RBI suggests renewing existing authorizations perpetually, along with permitting these entities to facilitate trade-related transactions up to Rs 15 lakh per transaction.
- Additionally, it discusses the expansion of foreign banks' role by allowing them to operate as category-I authorized dealers.

▪ **Eligibility Criteria for Authorized Dealers:**

- Entities seeking authorization or upgrades as **Category-II or Category-III** authorized dealers must meet specific eligibility criteria. This includes registration as a company, alignment with the entity's **Memorandum of Association**, and compliance with minimum net worth requirements.

SEBI Issues Consultation Paper on Instantaneous Settlement of Securities

The **Securities and Exchange Board of India (SEBI)** has recently addressed the need for transforming

the settlement process of securities in the country. Recognizing the opportunities presented by evolving payment systems, SEBI released a consultation paper proposing the introduction of instantaneous settlements.

▪ **Evolution of Settlement Process:**

- Since January 2023, the conventional settlement process, where funds and securities are settled by the day after the order execution, has been in place.
 - SEBI has identified a potential to leverage **advancements in payment systems** to expedite clearing and settlement timelines, paving the way for a more efficient financial ecosystem.

▪ **Benefits of Instant Settlement:**

- SEBI highlights several advantages associated with instant settlement, **including the immediate receipt of funds** and securities, improved investor control, release of capital in the securities market, and an overall enhancement in risk management.

▪ **Concerns and Proposed Mechanism:**

- Despite the potential benefits, **SEBI acknowledges certain concerns** such as increased trading costs and the possibility of **price divergence** based on the **settlement cycle**. In response, SEBI proposes the introduction of an optional instant settlement mechanism for shares, to be implemented in two phases.
 - The first phase aims to settle funds and securities on the same day, while the second phase targets the **instantaneous settlement** of individual trades.

Environment and Biodiversity

Wild Life (Protection) International Trade of Specimen Rules, 2023 notified

The [Ministry of Environment, Forest and Climate Change](#) has recently issued Rules aimed at regulating the international trade of specific plant and animal specimens.

- These regulations are established under the [Wild Life \(Protection\) Act of 1972](#), which prohibits the international trade of [endangered species](#) without a valid permit or certificate. In this context, the Rules outline various conditions for obtaining and managing such permits.

Key Features of the Rules:

▪ **Trading Permit:**

- Permits can be granted for the import, export, or re-export of endangered plant and animal specimens.
- The responsible authority for issuing these permits is the **Management Authority established under the Wild Life (Protection) Act**.
- The application process includes submitting necessary documents, such as a legal procurement certificate.
- Import permits are valid for 12 months, while **export and re-export permits** are valid for **six months**.

▪ **Survival Assessment Study:**

- Prior to issuing an import permit, the **Management Authority** must refer the application to the **Scientific Authority** for a survival assessment.
- The Scientific Authority, a research institute appointed by the central government, assesses whether the recipient is **equipped to care for the specimen**.
- For specified animals like **Asian elephants, Indian pythons, and gibbons**, a survival assessment may be conducted during the export permit application process.
- The Scientific Authority is required to respond with advice within 30 days.
- Application Approval Process:
 - The Management Authority must either accept or reject the application within 15 days of receiving advice from the Scientific Authority.
 - Export to countries not adopting the [Convention on International Trade in Endangered Species](#) is prohibited.

▪ **Cancellation of Permit:**

- The Management Authority holds the authority to cancel a permit based on various grounds, including potential commercial use, the recipient's inability to care for certain species, and failure to minimize risks while handling living specimens.

PDF Reference URL: <https://www.drishtiias.com/printpdf/prs-capsule-december-2023>

