

## Mains Master

### Art 142, why SC quashed Chandigarh mayor election, why it matters

#### Context:

- In January 2024, elections were held for the Mayor of Chandigarh, a union territory in India.
- The Aam Aadmi Party (AAP) and Congress formed an alliance to challenge the Bharatiya Janata Party (BJP) candidate.
- Kuldeep Kumar represented the AAP-Congress alliance, while Manoj Sonkar represented the BJP.

#### Background:

- The original election date was January 18th, but was postponed due to the presiding officer's illness.
- The rescheduled election took place on January 30th.
- During the counting process, eight votes cast for Kumar were declared invalid by the presiding officer, Anil Masih.
- This decision led to Sonkar's victory by a narrow margin.
- Videos surfaced showing Masih marking ballot papers, raising concerns about potential manipulation.

#### Issue:

- Kumar contested the election result, claiming that Masih had deliberately invalidated his votes.
- He argued that this action violated the principles of a free and fair election and undermined the democratic process.

#### Article 142:

- The Supreme Court of India rarely uses its power under Article 142 of the Constitution.
- This article allows the court to do "complete justice" in exceptional cases where other legal remedies are inadequate.
- In this case, the court invoked Article 142 due to the severity of the alleged misconduct and its potential impact on democracy.

#### How the Court used Article 142:

- The court analyzed the evidence, including the videos and expert opinions, and concluded that Masih had intentionally marked and invalidated valid votes in favor of Kumar.
- The court considered this act as a serious threat to the integrity of the electoral process and a violation of democratic principles.
- To ensure "complete justice" and prevent a grave injustice, the court used its extraordinary power under Article 142 to:
  - Quash the election result as "contrary to law."
  - Declare Kumar the validly elected Mayor of Chandigarh.
  - Initiate criminal proceedings against Masih for tampering with evidence and making false statements to the court.

#### Overall Outlook

- This case sets a precedent for protecting the sanctity of elections and deterring electoral malpractice.
- It highlights the importance of judicial intervention in exceptional circumstances to safeguard democratic values.
- The case also drew attention to the potential misuse of power by election officials and the need for accountability mechanisms.

### Express View on the balance between environment and industry: Greening growth

#### Context:

- Developing countries, including India, face a complex challenge: balancing the need for economic growth and infrastructure development with protecting their fragile and vulnerable ecosystems in the face of climate change.
- This creates a "political-economy conundrum" where both environmental regulations and investment are crucial but can seem contradictory.

#### Background:

- India's Environmental Impact Assessment (EIA) rules, notified in 2006 under the Environmental (Protection) Act, aimed to address this dilemma.
- These rules require mandatory Environmental Clearances (EC) for various projects with potentially adverse environmental impacts, including mining, thermal power plants, and infrastructure development in sensitive areas.
- Unfortunately, recent changes have raised concerns about the balance between environment and industry:
  - In 2017, a loophole was introduced into the EIA, granting a six-month moratorium for companies that hadn't obtained ECs beforehand.
  - This moratorium was made indefinite in 2021, effectively weakening the EIA process.
  - Legal challenges ensued, with the Madras High Court granting a stay order and the Supreme Court eventually staying the notification in January 2024.

#### Key Issues:

- Weakening of EIA rules:**
  - The aforementioned loophole and later amendments significantly lowered the bar for project approvals, potentially allowing environmentally harmful projects to proceed.
  - This undermines the purpose of the EIA, which is to conduct thorough environmental assessments and mitigate potential damage.
- Loopholes and Ex Post Facto Clearances:**
  - Between 2017 and 2024, over 100 projects, including coal mines, steel factories, and cement plants, received ex post facto ECs under the diluted EIA, despite lacking them initially.
  - This creates a dangerous precedent and rewards non-compliance, setting a negative example for future projects.
- Impact on India's Environmental Standing:**
  - India's ranking in the **2020 Environmental Performance Index** by Yale University was 168th out of 220 countries, reflecting poorly on its environmental stewardship.
  - The weakening of environmental regulations could further damage this ranking and international reputation.

#### Balanced Approach:

- "Environmentalism as Development and Development as Environmentalism":
  - This approach emphasizes aligning environmental protection with economic goals, recognizing that they are not inherently contradictory.
  - Sustainable development practices can create new jobs, improve health, and boost long-term economic prosperity.
- Robust Policy and Regulatory Framework:**
  - India needs strong, transparent, and well-enforced environmental regulations that facilitate responsible business practices while ensuring thorough environmental assessments.
  - This includes clear guidelines, independent review processes, and effective enforcement mechanisms to prevent exploitation of loopholes and ensure compliance.
- Thorough Environmental Assessments:**
  - Project approvals should prioritize rigorous environmental impact assessments conducted by qualified experts, considering both short- and long-term consequences.
  - Public participation and transparency in these assessments are crucial for legitimacy and community acceptance.
- Avoiding Loopholes and Prioritizing Long-Term Health:**
  - Addressing existing loopholes and preventing future ones is essential to ensure the effectiveness of environmental regulations.
  - Decisions should prioritize the long-term health of ecosystems and communities over short-term economic gains.



Context:

- In 2021, the Indian government amended Rule 3(1)(b)(v) of the Information Technology (IT) Rules, granting government-appointed fact-check units (FCUs) the power to identify and flag "fake or false or misleading" information related to the government's business.
- This amendment sparked widespread criticism due to concerns about its potential to stifle free speech, silence dissent, and empower the government to manipulate online narratives.

Background:

- Several individuals and organizations, including journalist Kunal Kamra, filed petitions challenging the amendment before the Bombay High Court.
- Justice Gautam Patel heard the petitions and delivered a landmark judgment in January 2024.

Key Issues:

- Vagueness and Overbreadth:** The amendment lacked clear definitions of "fake" or "misleading" information, leaving it open to subjective interpretation and potential misuse by the FCUs.
- Lack of Objective Criteria:** The decision-making process of the FCUs lacked transparency and objective standards, raising concerns about bias and arbitrary judgments.
- Violation of Free Speech:** The amendment's chilling effect on online discourse and potential to silence criticism were seen as direct violations of the fundamental right to free speech guaranteed by Article 19(1)(a) of the Indian Constitution.
- Discrimination and Non-arbitrariness:** The amendment only targeted digital platforms, excluding traditional media like print and television, raising concerns about discriminatory application and violation of the principle of non-arbitrariness enshrined in Article 14.
- Proportionality and Necessity:** The petitioners argued that the amendment imposed excessive restrictions on free speech beyond what was necessary to achieve the legitimate aim of countering misinformation.

Court's Clarification:

- Justice Patel, in his comprehensive judgment, declared the amendment unconstitutional on multiple grounds:
  - It violated Article 19(1)(a), 19(2), 19(1)(g), 19(6), Article 14, and Section 79 of the IT Act.
  - It lacked proportionality and exceeded the reasonable restrictions permissible under Article 19(2).
  - The vague and subjective nature of the amendment led to potential abuse of power and violation of due process.
  - The discriminatory targeting of digital platforms raised concerns about non-arbitrariness and violated the principle of equality.
- Justice Patel emphasized the crucial role of free speech and dissent in a healthy democracy, stating that "the cacophony of dissent and disagreement is the symphony of a democracy at work."
- He highlighted the importance of judicial review in safeguarding fundamental rights from excessive government action.

Way Forward:

- The Bombay HC verdict is awaiting finality as an appeal has been filed against it.
- However, it serves as a strong precedent and a significant defense of free speech in the digital age.
- Justice Patel's suggestion that the government not notify the amendment holds merit, allowing space for revising it based on the court's concerns.
- The government should consider incorporating objective criteria, transparent procedures, and safeguards against misuse into any future regulations aimed at addressing misinformation.
- This landmark case underscores the delicate balance between protecting citizens' rights and addressing harmful online content. It emphasizes the need for well-defined regulations, robust judicial oversight, and responsible government actions to ensure a vibrant and inclusive digital democracy.

Context:

- Three decades after the 73rd and 74th Constitutional Amendments aimed to empower local self-governance through Panchayats, concerns arise about their limited financial autonomy.

- The Ministry of Panchayati Raj, established in 2004, aimed to strengthen rural local bodies, but challenges remain.

Background:

- While Constitutional provisions exist for generating own revenues, Panchayats currently earn only 1% through taxes and fees, relying heavily on grants (80% Central, 15% State).
- This dependence undermines the intended decentralization and self-reliance, leaving Panchayats susceptible to external control and limiting their ability to respond effectively to local needs.

Importance of Panchayats:

- Grassroots Development:** Gram Sabhas, the village-level democratic institutions within Panchayats, have the potential to **leverage local resources** for revenue generation and sustainable development initiatives.
- Empowerment and Participation:** Gram Sabhas can impose taxes, fees, and levies, directing funds towards local projects, public services, and social welfare programs, fostering community ownership and accountability.
- Economic Independence and Resilience:** Strong, financially independent Panchayats can promote entrepreneurship, attract investments, and manage resources effectively, leading to economically vibrant and resilient villages.

Key Issues Plaguing Panchayats:

- Unequal Authority:** In some states, Gram Panchayats lack the authority to collect taxes, while intermediate and district Panchayats may not be delegated full responsibility. This creates power imbalances and hinders comprehensive revenue generation.
- Unequitable OSR Distribution:** Currently, Gram Panchayats collect 89% of own taxes, while intermediate and district Panchayats collect only 7% and 5% respectively. A clearer demarcation of OSR for all tiers is needed to ensure equitable sharing and resource allocation.
- Shift towards Grant Dependence (Dependency syndrome):** Increased allocation of Central Finance Commission (CFC) grants (from ₹4,380 crore in 10th & 11th CFC to ₹2,80,733 crore in 15th CFC) has coincided with a decrease in OSR collection (from ₹3,12,075 lakh in 2018-19 to ₹2,71,386 lakh in 2021-22). This shift creates a dependency syndrome and reduces motivation for internal resource mobilization.
- "Freebie Culture" and Aversion to Tax Collection:** The prevalence of a "freebie culture" in society creates resistance to paying taxes, and elected representatives fear tax imposition will affect their popularity. This discourages OSR initiatives and weakens financial self-reliance.
- Weak Enforcement Mechanisms:** Lack of effective tax collection measures and penalties for defaulters further hinders OSR efforts.

Overhauling the System:

- Clear OSR Allocation Framework:** Establish a transparent and equitable framework for allocating OSR collection powers and responsibilities across all Panchayat tiers.
- Public Awareness and Education:** Educate elected representatives and citizens about the importance of OSR for Panchayat self-governance and development.
- Effective Grant Incentives:** Implement matching grant schemes to incentivize OSR generation and reward successful Panchayats.
- Innovative Revenue Generation:** Encourage Panchayats to explore innovative projects like rural business hubs, renewable energy ventures, and partnerships with the private sector and CSR initiatives.
- Strengthening Enforcement Mechanisms:** Develop and implement robust tax collection methods and enforce penalties for non-compliance to incentivize responsible financial behavior.
- Reducing Grant Dependence:** Gradually reduce reliance on grants and establish a clear timeline for Panchayats to transition towards greater financial self-sufficiency.
- Multi-Level Collaboration:** Encourage active collaboration between Panchayats, state governments, and the central government to address challenges and provide necessary support.



## Conclusion:

Achieving financial self-sufficiency for Panchayats requires dedicated efforts at all levels. By addressing the key issues, implementing practical solutions, and fostering a culture of financial accountability, Panchayats can unlock their full potential as drivers of sustainable development and empowered local governance in rural India.

# Prelims Booster

## Lab-grown diamonds put natural gems industry under huge pressure

- 💎 The global diamond jewellery market is being reshaped by lab-grown diamonds, with India's small city of Surat at the forefront, where 90% of the world's diamonds are cut and polished. Lab-grown diamond exports from India have tripled in value between 2019 and 2022, with export volumes rising by 25% between April and October 2023.
- 🔥 Lab-grown diamonds are produced in reactors mimicking extreme pressure far underground, with the global market share by value of lab-grown gems skyrocketing from 3.5% in 2018 to 18.5% in 2023, and likely to exceed 20% this year, putting pressure on the natural diamond industry.
- 🌐 Producers claim that lab-grown gems come at a lower carbon cost, and while there are questions about the energy-intensive process, lab producers argue their facilities guarantee a clean record, making lab-grown stones a popular choice for engagement rings, with 17% of diamond engagement rings sold in the U.S. in February 2023 using lab-grown gems.
- 💰 Falling prices of lab-grown diamonds are spurring demand, with wholesale prices down by 58% in 2023 alone, making lab-grown diamonds an attractive and affordable option for consumers, especially for daily wear.

## Small fishers demand full exemption from WTO curbs

- 🐟 India's small and marginal fishers are demanding complete exemption from any WTO commitment for reducing subsidies on essentials such as fuel, nets, fishing boats, and other fishing gear, for fishing up to 200 nautical miles (nm), as they fear it could drive them further into poverty.
- 🌐 The National Fishworkers' Forum (NFF) has emphasized the need for the government to champion the cause of small-scale fishers at the 13th WTO Ministerial Conference (MC13) in Abu Dhabi, seeking a special and differential treatment (S&DT) exemption that extends beyond the proposed limit of 12 nm, as small fishers operate beyond these proposed limits up to 24-200 nautical miles.
- 🌐 The latest draft text of the agreement circulated at the WTO has proposed a distance of either 12 nm or 200 nm, with concerns raised about an "unwarranted condition" being proposed to deny S&DT benefits to developing countries engaging in distant water fishing significantly in the future, potentially putting at risk the livelihoods of small-scale fishers.
- 😞 The livelihood of 9 million people in India, mostly resource-poor, depends on fishing, with more than 90% of fishers borrowing from bankers under government schemes, and any potential reduction in subsidies due to WTO commitments could lead to a dangerous situation for the fishing community and their livelihood.

## India to seek \$26 bn private investment in nuclear power sector

- 🏢 The central government of India plans to invite private firms, including Reliance Industries, Tata Power, Adani Power, and Vedanta Ltd, to invest around \$26 billion in the nuclear energy sector, aiming to increase non-carbon-emitting electricity generation capacity to achieve its target of having 50% of installed electric generation capacity use non-fossil fuels by 2030.
- 🏢 This marks the first time India is pursuing private investment in nuclear power, with the government aiming to build 11,000 megawatts (MW) of new nuclear power generation capacity by 2040, in collaboration with private companies, while retaining the rights to build and run the stations and their fuel management with NPCIL.
- 🏢 Under the funding plan, private companies will make investments in the nuclear plants, acquire land, water, and undertake construction in areas outside the reactor complex of the plants, with the expectation to earn revenue from the power plants' electricity sales, while NPCIL would operate the projects for a fee.
- 🌐 The plan is an innovative solution to accelerate nuclear capacity and does not require any amendment to India's Atomic Energy Act of 1962, but will need a final go-ahead from the Department of Atomic Energy, aiming to address the country's nuclear power capacity addition targets and procurement challenges.

## India's AI market projected to touch \$17 b by 2027: Report

- 🌐 India's artificial intelligence market is projected to reach \$17 billion by 2027, growing at an annualized rate of 25-35% between 2024 and 2027, driven by an increase in enterprise tech spending, the country's expanding AI talent pool, and a rise in AI investments, according to a joint report by Nasscom and BCG.
- ✅ The growth is supported by over 420,000 employees currently holding positions in AI job functions in India, with the country having the highest skills penetration with respect to AI.
- 📊 The report, based on a survey of more than 65 respondents across larger-tech and mid-tech companies, business process management space, and global capability centers, indicates a significant rise in investment in AI, with subsequent demand for AI talent expected to grow at an annualized rate of 15% until 2027.
- 🏢 Notably, 90% of the top 25 technology service providers have made large-scale Gen AI skilling commitments, reflecting the industry's focus on training employees, investing in startups, and expanding capabilities in the emerging technology.

## speed dating

- 🌱 Scientists at Icrisat have developed a novel "speed dating" breeding method for pigeonpea, reducing the traditional 13-year cycle to just 4 years, addressing concerns about potential imports and meeting the rising demand for pigeonpea in India.
- 🌱 The world's first pigeonpea speed breeding protocol focuses on material breeding and control over factors like photoperiod, temperature, and humidity, aiming to bring food to dryland communities faster and contribute to self-sufficiency in pulse production.
- 🌱 Pigeonpea's long growth cycle historically hindered breeding efforts, with only 250 varieties released globally over six decades, but the new protocol enables the development of climate-resilient, nutritionally superior, and higher-yielding pigeonpea varieties at an unprecedented pace.
- 🧬 The protocol caters to different maturity groups, facilitating the rapid development of climate-resilient varieties and hybrids, and enhances precision through innovative techniques like seed or pod chip-based genotyping and marker-assisted selection.

## Leniency plus

- 🏢 The Corporate Affairs Ministry (MCA) has introduced the 'Leniency plus' regime, enabling the Competition Commission of India (CCI) to implement a new Cartel detecting tool, aimed at revolutionizing Anti-Trust enforcement in the country.
- 🏢 Under this regime, companies under investigation for one cartel are encouraged to report other unknown cartels to the CCI, facilitating the discovery of secret cartels and obtaining insider evidence of the infringement.
- 📅 The 'leniency plus' provisions have come into effect from February 20, following the notification of relevant provisions in the Competition (Amendment) Act 2023 by the MCA.
- 🌐 The 'leniency plus' regime is a proactive antitrust enforcement strategy aimed at attracting leniency applications by encouraging companies already under investigation for one cartel to report other unknown cartels to the competition regulator, with the benefit of a reduction in penalty for the disclosing company.
- 📅 The CCI had issued draft Lesser Penalty regulations in October last year, offering incentives for disclosing details of another unrelated cartel, with the leniency plus regime expected to further incentivize applicants to come forward with disclosures regarding multiple cartels, saving time and resources on cartels investigation.

## India's coking coal imports have reached a five-year high

- ✅ India's coking coal imports have reached a five-year high at 47.97 million tonnes between April and January (10M FY24), with Russia and the USA being the major beneficiaries, while Australian supplies have ceded market share during this period.
- 🇷🇺 Russian shipments to India surged by 140% over a five-year period, reaching 4.97 million tonnes in the April – January period, with a nearly 180% year-on-year rise, coinciding with India entering into a MoU with Russia for coal supply, a key raw material in steel-making.
- 🇺🇸 The USA also significantly increased its coking coal exports to India, with imports rising by over 150% to 6.99 million tonnes in 10M FY24, up from 2.77 million tonnes in 10M FY20.
- 🇺🇸 Australia, the dominant supplier, has seen a decrease in market share, with its coking coal supplies to India down to 60% of total imports, compared to 75% five years ago, as Indian mills have substituted higher priced hard coking coal from Australia with alternatives from the USA and Russia to control costs.