



## PRS Capsule - November 2024

### Key Highlights of PRS

- **Polity and Governance**
  - Supreme Court Issues Directives on Demolition of Properties of Accused Individuals
  - Supreme Court Rules that Government Entities Cannot Unilaterally Appoint Arbitrators
  - Draft Bill Issued to Replace Law on MPs Holding an Office for Profit
  - Cabinet Approves Scheme to Provide Financial Support to Meritorious Students
- **Economy**
  - Industrial Production Grew by 2.6% in the Second Quarter of 2024-25
  - Cabinet Approves Launch of National Mission on Natural Farming

### Polity and Governance

#### Supreme Court Issues Directives on Demolition of Properties of Accused Individuals

- The [Supreme Court](#) ruled that demolishing the properties of citizens without following the [due process of law](#), for the sole reason that they may be involved in a crime, is contrary to the [rule of law](#).
- The Court also **issued directives** that must be complied with before the properties are demolished.
  - The Court held that before deciding on demolition, the concerned authority (municipal body or state-designated body) must satisfy itself that **demolition is the only available option**.
    - This includes identifying that options such as compounding and part-demolition of property are not available.
  - The affected party must be given a **prior notice of at least 15 days**.
  - The notice should specify the **nature of unauthorised construction** and the grounds for demolition.
  - The Court, however, clarified that these directions will **not apply to unauthorised structures** in public places, or if the demolition is ordered by a court of law.

#### Supreme Court Rules that Government Entities cannot Unilaterally Appoint Arbitrators

- A five-judge bench of the Supreme Court ruled that government entities and **Public Sector Undertakings (PSUs)** cannot unilaterally appoint [arbitrators](#) in public-private arbitration agreements.
  - It held that such clauses violate equality and equal protection before the law ([Article 14](#)).
  - The Court held that the **principle of equal treatment of parties** applies to all stages of arbitration, including the **appointment of an arbitrator**.
  - It further held that allowing one party to unilaterally appoint an arbitrator raises questions about the impartiality of the arbitrator.
    - This also hinders the other party from equally participating in **dispute resolution**.

## Draft Bill Issued to Replace Law on MPs Holding an Office for Profit

- The Ministry of Law and Justice issued the draft Parliament (**Prevention of Disqualification**) Bill, 2024.
- The draft Bill seeks to replace the [Parliament \(Prevention of Disqualification\) Act, 1959](#).
- **Key features of the draft Bill include:**
  - The draft Bill adds a **faculty or senior member** of a university to the list of offices that are exempt from disqualification.
  - It also lists offices whose members are exempted from disqualification.
  - The draft Bill **removes the list of offices** not exempt from disqualification, which is included in the Act.
  - The draft Bill empowers the central government to amend the list of offices exempt from disqualification.
  - The draft Bill removes the Act's provision that prevents an MP's disqualification if they held an office previously exempt but later reversed, provided **they resign within six months**.

## Cabinet Approves Scheme to Provide Financial Support to Meritorious Students

- The Union Cabinet approved the [PM Vidyalakshmi scheme](#) to financially support meritorious students in pursuing [higher education](#).
- The scheme will extend **collateral and guarantor-free loans** covering tuition and other expenses to students who get admission to quality higher education institutions.
- For loans up to Rs 7.5 lakh, 75% of the outstanding amount will be covered by a credit guarantee.
- The scheme will apply to students in:
  - Top 100 institutions in each field
  - State government institutions ranked 101-200
  - All central government institutions.
- Rankings would be based on the [National Institutional Ranking Framework \(NIRF\)](#).
- Further, the scheme will provide **interest subvention of 3% on loans** up to Rs 10 lakh to students with a family income of up to eight lakh rupees.

## Economy

### Industrial Production Grew by 2.6% in the Second Quarter of 2024-25

- The [Index of Industrial Production \(IIP\)](#) grew by 2.6% in the second quarter (July-September) of 2024-25, lower than the growth in the same period last year (7.8%).
  - The mining sector contracted by 0.1% in the first quarter of 2024-25.
  - In the first quarter of 2024-25, manufacturing increased by 3.1%, while electricity increased by 1.4%.
- **Manufacturing** (78%) has the highest weightage in the calculation of the IIP, followed by **mining** (14%) and **electricity** (8%).

### Cabinet Approves Launch of National Mission on Natural Farming

- The Union Cabinet approved the [National Mission on Natural Farming](#) as a [centrally sponsored scheme](#).
- The Mission aims at promoting [natural farming methods](#) such as chemical-free farming, farming using local **livestock methods**, and **diversified crop systems**.
- In 2024-25 and 2025-26, the scheme will be implemented in 15,000 clusters in [gram panchayats](#).

