



PRS Capsule- March 2023

Key Highlights of PRS

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Governance

Union Budget 2023-24

- Parliament passed the [Finance Bill, 2023](#) to give effect to the government's financial proposals for 2023-23. The Bill **was passed with 64 amendments. Key features of the Bill include:**
 - **Changes in The [New Income Tax Regime](#):** The number of tax slabs has been reduced from six to five. The surcharge on the income when it exceeds Rs 5 crore will be reduced from 37% to 25%.
 - **Capital Gains From Debt Mutual Funds:** Consideration received from the sale or transfer of a debt mutual fund or a market-linked debenture will be considered a short-term capital gain.
 - **Changes in Tax Exemptions:** The tax exemption for news agencies set up solely for the collection and distribution of news will be removed.
 - Charitable trusts are required to apply 85% of their income within the year to avail of the income tax exemption.
 - **Presumptive Taxation:** The upper limit on turnover for [Micro, Small and Medium Enterprises \(MSME\)](#) to be eligible for presumptive taxation has been raised from Rs 2 crore to Rs 3 crore.
 - The upper limit on gross receipts for professionals eligible for presumptive taxation has been raised from Rs 50 lakh to Rs 75 lakh.
 - **Co-operative Societies:** The income tax rate for new [co-operative societies](#) engaged in manufacturing activities has been lowered from 22% to 15%.

Competition (Amendment) Bill, 2022 Passed by Lok Sabha

- [The Competition \(Amendment\) Bill, 2022](#) was passed by [Lok Sabha](#) with certain

amendments. The Bill seeks to amend the Competition Act, 2002.

- The Act establishes the [Competition Commission of India \(CCI\)](#) to regulate market competition.

Virtual Digital Assets (VDAs) Under the Purview of the Prevention of Money Laundering

- The Ministry of Finance has brought transactions involving [virtual digital assets](#) (such as [cryptocurrencies](#)) under the purview of the [Prevention of Money-laundering Act, 2002](#).
 - Under the Act, persons involved in concealing, possessing, or acquiring proceeds of crime and claiming it to be untainted property are guilty of money laundering.
- Money laundering **is punishable with rigorous imprisonment of up to seven years and a fine**. The following activities will be covered:
 - The exchange between virtual digital assets and [fiat currencies](#).
 - The exchange between one or more forms of virtual digital assets
 - Transfer of virtual digital assets
 - Safekeeping or administration of virtual digital assets or instruments giving control over such assets.

Committee Report on the Multi-State Cooperative Societies (Amendment) Bill, 2022

- The Bill amends the [Multi-State Co-operative Societies Act, 2002](#), **which regulates co-operative societies that operate in more than one state**.
- The Bill was introduced in Lok Sabha on December 7, 2022, and referred to the Joint Committee on December 20, 2022. In its report, the Committee endorsed most of the amendments proposed under the Bill.

Pradhan Mantri Ujjwala Yojana

- The Union Cabinet approved a subsidy **under the [Pradhan Mantri Ujjwala Yojana \(PMUY\)](#)**. The subsidy **will be credited to the beneficiary's bank account**.
 - This decision **comes in the backdrop of an increase in international [liquefied petroleum gas \(LPG\)](#) prices**.
- PMUY was launched in 2016 and **seeks to provide LPG connections to women from below-poverty-line households**.
 - In order to cover additional households, **PMUY phase 2 (Ujjwala 2.0) was launched in August 2021**.
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Report on 'Evaluation of Implementation of PMAY (Urban)

- The Standing Committee on Housing and Urban Affairs **submitted its report on 'Evaluation of Implementation of [Pradhan Mantri Awas Yojana \(Urban\)](#)'**.
- Launched in 2015, PMAY-U **provides central assistance to states/UTs to construct pucca houses with basic amenities**.
 - Initially **the duration of the scheme was up to 2021-22 but has been extended till December 31, 2024**.
- **Key observations and recommendations of the Committee are as follows:**
 - **A gap in Housing Demand Assessment:** Under PMAY-U, initially the total housing shortage was estimated at two crore houses. However, as per the Ministry's estimates actual demand for housing under the scheme stands at 1.23 crore.
 - The Ministry informed the Committee that the initial figure for housing shortage **was based on estimates whereas the scheme was demand driven**. The Committee observed that since it is a demand driven scheme, **some homeless people might not have availed its benefits due to non-fulfilment of eligibility conditions or requirement of land**.

- It recommended the Ministry to **conduct an impact assessment and accordingly extend the scheme with necessary changes or formulate another scheme** to provide housing for the urban poor.
- **Lack of Basic Amenities:** As per PMAY-U guidelines, all houses under the affordable housing in partnership with **private and public sectors** and in-situ slum redevelopment verticals should have basic facilities like water, sanitation, and electricity.
 - Further, urban local bodies should **ensure that houses under credit linked subsidy scheme and beneficiary led construction verticals have access to such basic services**. The Committee noted that as of December 2022, 5.6 lakh houses were not delivered to beneficiaries due to lack of basic services.

Amendments to the Surrogacy Rules, 2022

- The Ministry of Health and Family Welfare notified **amendments to the Surrogacy Rules, 2022**. The 2022 Rules were notified under the **Surrogacy (Regulation) Act, 2021**.
- The Act defines surrogacy as a practice where a woman **gives birth to a child for an intending couple or woman and agrees to hand over the child to them after the birth**.
- Under the Act, **an intending couple is one that has a medical indication that necessitates surrogacy**. As per the 2022 Rules, **a couple undergoing surrogacy was allowed to utilise an oocyte from a donor**.
 - The amendment **mandates that both male and female gametes used in surrogacy must come from the intending couple**, and amends the consent form for the surrogate mother accordingly.

Environment

Forest (Conservation) Amendment Bill, 2023

- The **Forest (Conservation) Amendment Bill, 2023** was introduced in Lok Sabha. The Bill **amends the Forest Conservation Act, 1980 which provides for the conservation of forest land**.
 - The Bill adds and exempts **certain types of land from the purview of the Act**. Further, it **expands the list of activities permitted to be carried out on forest land**.

Report on Groundwater

- Water Resources Standing Committee submits report on **groundwater**. The Standing Committee on Water Resources **presented its report on 'Groundwater: A Valuable but Diminishing Resource'** on March 17, 2023. **Key Highlights of the report include:**
 - **Creation of a Central Body:** Multiple bodies at both state and central levels currently bear responsibility for issues related to water. These include
 - central ministries such as the ministries of Jal Shakti, rural development, and agriculture and farmers' welfare;
 - state departments,
 - state and central pollution control boards; and
 - dedicated authorities such as the Central Water Board (CGWB) and the **Central Ground Water Authority (CGWA)**.
 - The Committee observed a lack of coordination between them, and recommended that the Ministry of Jal Shakti constitute a central body with representation from those mentioned above.
 - **Legislation:** Laws on groundwater management have been passed in 19 states based on a model Bill circulated in 1970 and last revised in 2005.
 - The Committee **observed difficulties in implementing these laws due to the lack of guidelines**. They recommended that the Department of Water Resources, River Development, and Ganga Rejuvenation takes urgent action in this regard.
 - **Irrigation:** The Committee observed excessive dependence on groundwater for irrigation because water-intensive crops, such as **paddy** and **sugarcane**, command higher **minimum support price (MSP)**.

- Schemes providing farmers with financial assistance and free or subsidised electricity for irrigation have contributed to this issue.
- The **Committee recommended** that the Department of Water Resources, River Development, and Ganga Rejuvenation engage with the Department of Agriculture and Farmers' Welfare to encourage less water-intensive cultivation crops and cultivation patterns.
- **Climate Change:** The **National Water Mission** is responsible for implementing aspects of the **National Action Plan on Climate Change**. This includes formulating strategies on conservation, efficient management, and equitable distribution of water resources.
 - The Committee observed that the **Mission is hindered by a lack of funding and autonomy**, and recommended enhancement of its financial powers and autonomy.

Report on Nano Fertilisers

- The Standing Committee on Chemicals and Fertilizers presented its report on '**Nano Fertilisers for Sustainable Crop Production and Maintaining Soil Health**'. **Key observations and recommendations of the Committee include:**
 - **Development of Nano-fertilisers:** Fertiliser consumption in India is imbalanced and urea accounts for 82% of the nitrogenous fertilisers. Conventional fertilisers such as urea pollute the ecosystem during application. The Committee observed that **Indian Farmers Fertilizer Cooperative Limited (IFFCO)** has developed nano urea which attempts to address the imbalanced use of fertilisers.
 - **Nano urea** was **notified by the Ministry of Agriculture and Farmers Welfare as a nano fertiliser in February 2021**.
 - **Benefits of Nano-fertilisers:** The Committee observed that nano fertilisers cost less than subsidised conventional fertilisers. Further, nano urea can result in **better crop productivity and higher income for farmers**.
 - It also **reduces transportation and warehousing costs**. Field trials have found that the average crop yield was 8% higher due to the application of nano urea.

Economy

Foreign Trade Policy (FTP) 2023

- The **Foreign Trade Policy (FTP) 2023** was released on March 31, 2023 and comes into effect from April 1, 2023. The **new policy replaces the Foreign Trade Policy 2015-20**, which was extended till March 31, 2023.

Committee Report on the Jan Vishwas (Amendment of Provisions) Bill, 2022

- The Joint Committee on the **Jan Vishwas (Amendment of Provisions) Bill, 2022** presented its report on March 17, 2023.
- The Bill aims to **increase the ease of doing business by decriminalising and removing imprisonment as a punishment from various laws**.