



**UPSC  
Mentorship**  
A Unit of Mentorship India

# DAILY CURRENT AFFAIRS

06 September 2024



## SOURCES



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## GS I

# 1. Africa can make India's 'critical mineral mission' shine

Source: The Hindu

Context: India's Critical Mineral Mission (2024-25) aims to secure key minerals via domestic production, recycling, and overseas acquisitions, with Africa's 30% mineral reserves crucial to reducing reliance on China.

### India's Critical Mineral Mission:

- **Objectives:** Focus on expanding domestic mineral production, prioritizing recycling, and incentivizing overseas acquisition.
- **Regulatory Changes:** The 2023 amendment to the Mines and Minerals (Development and Regulation) Act allows the private sector to explore six previously restricted minerals, boosting domestic exploration.
- **Overseas Initiatives:** The joint venture of public sector firms, Khanij Bidesh India Limited (KABIL), secured a lithium exploration agreement in Argentina.

### Africa's Role in the Supply Chain:

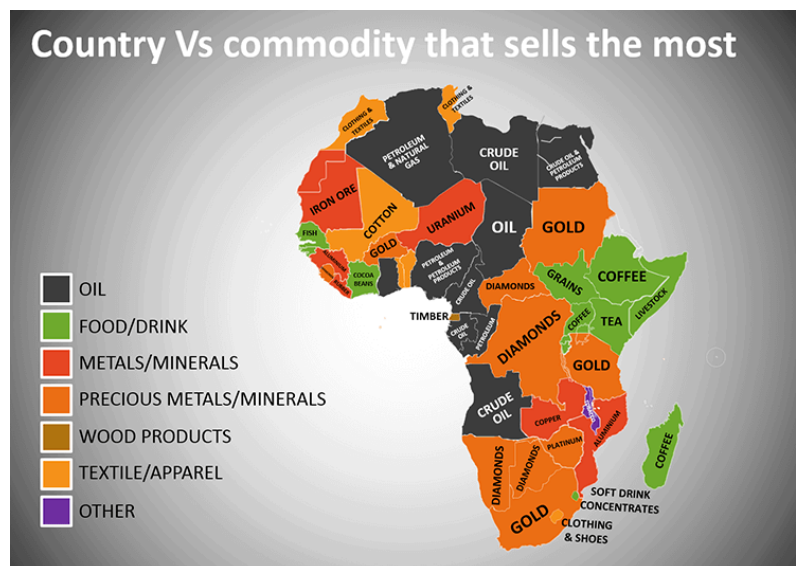
- **Strategic Importance:** Africa holds 30% of the world's critical mineral reserves, positioning it as a natural partner for India in securing mineral supplies.
- **Existing Partnerships:** India-Africa trade, worth \$98 billion in 2022-23, heavily involves the mining and mineral sectors. India's investments, particularly in energy, have laid the groundwork for expanded collaboration on critical minerals.

### China Factor:

- **Chinese Dominance:** China's control over critical mineral processing, particularly in cobalt mining in the Democratic Republic of Congo, presents risks for India.
- **India's Alternative:** India can leverage its expertise to build alternative supply chains, reducing dependency on Chinese-controlled minerals.

### Challenges and Criticisms:

- **Sustainable Development:** India must align its mission with Africa's emphasis on value addition and responsible practices to foster equitable partnerships.





- **Geopolitical Risks:** The geopolitical landscape, shaped by China's dominance, poses both opportunities and challenges for India's engagement in Africa.

**Conclusion:**

- India's Critical Mineral Mission has the potential to succeed with Africa's vast reserves and mutual focus on sustainable development, reducing dependence on China and building a future-focused partnership.

## GS II

### 2. Five Opposition-ruled States to meet in Kerala to address Centre-State financial issues

**Source:** The Hindu

**Context:** Kerala will host a fiscal conclave involving five Opposition ruled states—Tamil Nadu, Karnataka, Telangana, Punjab, and Kerala to address Centre-State financial issues, including tax devolution, and to develop a unified stance as discussions on the 16th Finance Commission advance.


**Centre-State Financial Relations:**


- **Objective of the Conclave:**
  - The meeting aims to address critical financial challenges faced by Opposition-ruled States, particularly concerning tax devolution and fiscal autonomy.
  - The conclave will serve as a platform to consolidate the demands and concerns of these States, boosting their collective bargaining position with the Centre.
- **16th Finance Commission:**
  - The conclave is strategically timed as the 16th Finance Commission has begun engaging with States. The goal is to ensure that the specific concerns of these five States are communicated effectively.


**Unified Opposition Stance:**

- **Strategic Importance:**
  - There is a need for a coordinated approach to tackle development and fiscal challenges. By uniting, these States aim to influence the recommendations of the Finance Commission.


#### What's Fin Commission All About...


> Finance Commission is a Constitutionally-mandated body that is to be set up every 5 years 

> Its core responsibility is to evaluate the Centre and state's finances 

> It has to decide the formula for sharing of taxes between the Centre & states, and also the formula for the sharing of resources among 

states, factoring in various parameters

> The Centre provides additional terms of reference for the panel 

> First Finance Commission was set up in 1951. There have been 15 so far 

> Current Finance Commission's award is valid up to 2025-26 



- **Confirmed Participation:**

- Ministers from Tamil Nadu, Karnataka, Telangana, and Punjab have confirmed their participation, along with their Finance Secretaries.

**Key Issues to Be Discussed:**

- **Tax Devolution:**

- A major issue is the perceived imbalance in tax devolution from the Centre to the States, with Opposition-ruled States advocating for a more equitable share.
- Concerns about fiscal federalism and the need for greater fiscal autonomy for States will likely dominate discussions.

- **Developmental Challenges:**

- The States are expected to raise concerns about reduced central allocations for key welfare schemes and infrastructure projects, affecting overall development.

**Challenges and Criticisms:**

- **Centre-State Tensions:**

- The conclave underscores ongoing tensions between the Centre and Opposition-ruled States over fiscal issues. These States have previously expressed concerns over the reduced devolution of funds and centralization of financial power.

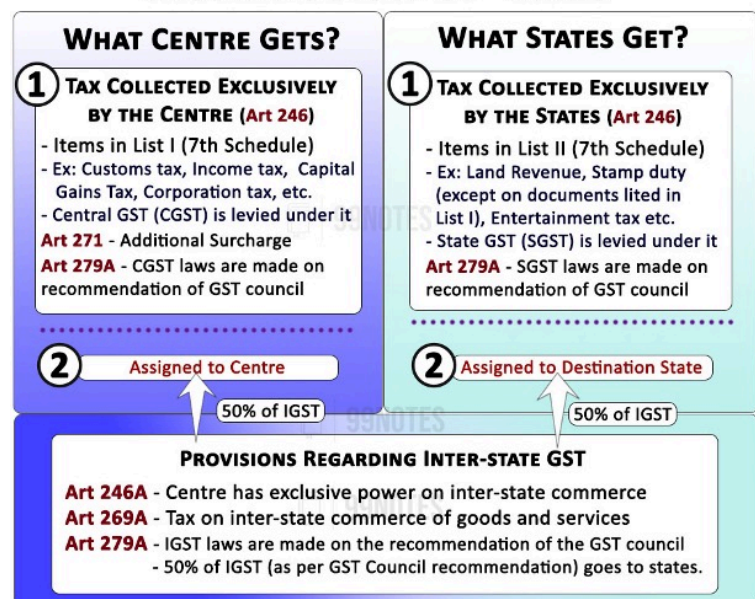
- **Political Significance:**

- The meeting is seen as a political move to unify the Opposition-ruled States, giving them a stronger voice in financial matters, particularly ahead of the 16th Finance Commission's recommendations.

**Conclusion:**

- The fiscal conclave hosted by Kerala reflects the growing concerns of Opposition-ruled States regarding Centre-State financial relations.
- By uniting and presenting a cohesive stance, these States aim to secure a more equitable share of central resources and address developmental challenges.
- The outcomes of the conclave will be crucial as the 16th Finance Commission continues its consultations with States, shaping India's fiscal federalism for the future.

## DISTRIBUTION OF TAXES



## 3. The 23rd Law Commission of India: Role, Structure, and Recommendations

Source: The Indian Express

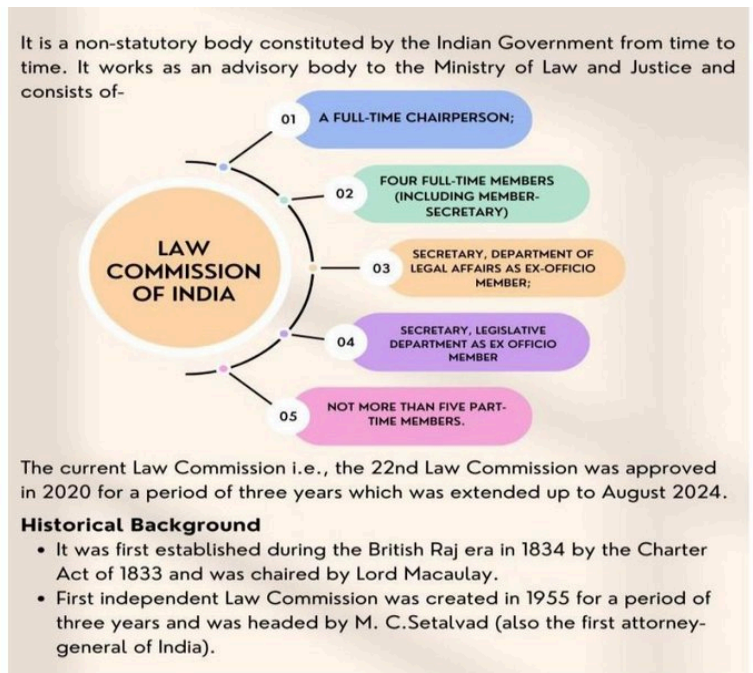
**Context:** The Union government has notified the 23rd Law Commission of India, effective September 1, 2024. This non-statutory body is tasked with reviewing laws, suggesting repeals, and recommending reforms to align with contemporary needs and constitutional principles.

### Role and Function of the Law Commission:

- **Purpose:** The Law Commission, formed through a gazette notification by the Union Ministry of Law and Justice, is responsible for reviewing existing laws, recommending the repeal of obsolete legislation, and providing suggestions on legal matters referred by the government.
- **Function:** It operates as a non-statutory entity, meaning it is not created by a specific law but by administrative action to advise on legal reforms and legislative improvements.

### Structure and Composition:

- **Constitution:** The 23rd Law Commission will consist of a full-time chairperson, four full-time members, up to five part-time members, and ex officio members who are secretaries of the Legal Affairs and Legislative departments.
- **Tenure:** The commission's term extends until August 31, 2027.
- **Appointments:** The chairperson and members will be appointed by the Appointments Committee of Cabinet, chaired by the Prime Minister. Serving judges, if appointed, will receive no additional remuneration beyond their judicial salary.



### Mandates and Terms of Reference:

- **Law Review:** Identify and recommend the repeal of outdated or irrelevant laws.
- **Standard Operating Procedure (SoP):** Develop a procedure for the periodic review of laws to simplify language and processes.
- **Economic Alignment:** Amend laws that are not in harmony with current economic needs.
- **Directive Principles:** Review and suggest improvements to laws in line with the Directive Principles of State Policy and the Constitution's Preamble.
- **Judicial Administration:** Assess and enhance judicial processes to meet contemporary requirements.





### Historical Context and Significance:

- **Previous Commissions:** The 22nd Law Commission, provided significant recommendations, including the controversial retention of Section 124A of the IPC (sedition law) and considerations for trade secrets protection and simultaneous elections.
- **Impact:** The recommendations from previous commissions have influenced major legislation such as the Code of Criminal Procedure, 1973, and the Right of Children to Free and Compulsory Education Act, 2009.

### Challenges and Expectations:

- **Current Issues:** The 23rd Law Commission will address ongoing debates such as the Uniform Civil Code and simultaneous elections, reflecting Prime Minister Narendra Modi's recent push for these reforms.
- **Future Directions:** The commission's work will be crucial in shaping India's legal framework, addressing obsolete laws, and aligning legal provisions with the needs of modern society and constitutional values.

## 4. Election Process in India: How the world's largest democracy votes

**Source:** The Indian Express

**Context:** The election process in India, managed by the Election Commission of India (ECI), is a multi-stage procedure designed to oversee the world's largest democracy, ensuring political accountability and effective representation through a structured voting system.

### Electoral Process:

- **Purpose:** The electoral process enables citizens to vote for representatives, promoting accountability and ensuring leaders are answerable to the public. India's model, accommodating vast diversity, uses technologies like Electronic Voting Machines (EVMs) and ECI oversight to enhance credibility and efficiency.

### Historical Context and Evolution:

- **Initial Challenges:** Organizing elections in a country with widespread illiteracy and poverty was a significant challenge. Universal adult suffrage was a major advancement in democratic governance.
- **Significance:** The electoral system has reshaped social dynamics, compelling leaders to seek broader support and challenging entrenched bureaucratic practices.

### Electoral Systems:

- **First-Past-The-Post (FPTP):** Used for Lok Sabha and Vidhan Sabha elections
- **Proportional Representation:** Applied in Rajya Sabha and presidential elections, using a single transferable vote method to reflect proportional support.

### Electoral Procedure:

- **Delimitation Commission:** Articles 82 and 170 mandate periodic reevaluation of constituency boundaries based on census data. The Delimitation Commission oversees this process to ensure fair representation.



### Election Announcement and Nomination:

- **Nomination Criteria:** Candidates must be Indian citizens and at least 25 years old for Lok Sabha elections. Security deposits vary based on the election type and candidate category.

### Conclusion:

- India's electoral process supports democratic governance by ensuring equitable representation and political accountability.
- Ongoing technological and procedural advancements reinforce India's status as the world's largest democracy.

## 5. Lancet Study on Micronutrient Inadequacies

### Source: Down To Earth

**Context:** Recently, a study published in Lancet Global Health highlighted the global inadequacy of micronutrient intake, particularly for iodine, vitamin E (tocopherol), calcium, iron, riboflavin (vitamin B2), and folate (vitamin B9) across different regions and age groups.

### Key Findings:

- **Global:** Over 5 billion people lack iodine, vitamin E, and calcium; over 4 billion lack iron, riboflavin, folate, and vitamin C.
- **Gender Differences:** Women face higher deficiencies in iodine, vitamin B12, iron, and calcium. Men have more deficiencies in magnesium, vitamin B6, and zinc.
- **India-Specific:** High inadequacies in riboflavin, folate, vitamin B6, and vitamin B12.

### Micronutrients:

- Essential vitamins and minerals required in small amounts for normal body functions.

### Impact of Deficiencies:

- **Severe Conditions:** Leads to anaemia, impaired growth, and developmental issues.
- **General Health:** Affects energy, mental clarity, and overall well-being.
- **Long-Term Effects:** Impacts education, productivity, and disease vulnerability.

### Types of Malnutrition

- **Undernutrition:** Includes wasting, stunting, and underweight.
- **Micronutrient Related:** Includes vitamin A, iron, and iodine deficiencies.
- **Obesity:** Excess calorie intake leading to health risks.
- **Diet-Related NCDs:** Includes diseases like heart attacks and strokes.





### WHO's Role

- **Nutrition Programs:** Targets malnutrition, with iron and folic acid supplementation, and vitamin A fortification.

### Status in India:

- **Undernourishment:** 194.6 million undernourished, highest globally.
- **Child Malnutrition:** One-third of malnourished children live in India. NFHS-5 (2019-21) shows high rates of stunting, wasting, and underweight.
- **Global Hunger Index 2023:** India's score indicates "serious" hunger with high child wasting.

### Addressing Nutrient Deficiency in India

- **Food Fortification:** Adding essential nutrients to staple foods.
- **Strengthening ICDS:** Improve nutrition monitoring and education.
- **Special Nutrition Programmes:** Timely and adequate supplements.
- **UNICEF Support:** Holistic assistance to address malnutrition.

### Key Initiatives:

- Mission Poshan 2.0
- ICDS
- PMMVY
- Mid-Day Meal Scheme
- Scheme for Adolescent Girls (SAG)
- Mother's Absolute Affection (MAA)
- Poshan Vatikas



## GS III

### 6. No friction between Centre, States on GST front, says Finance Minister

Source: The Hindu

**Context:** Union Finance Minister at an event in Chennai, denied allegations of friction between the Centre and States on Goods and Services Tax (GST) matters & highlighted that the GST Council meetings are collaborative and focus on simplifying the tax system, rate rationalization, and boosting revenue generation.

#### GST and Federal Cooperation:

- **No Friction in GST Council:** Finance Ministers from various states, irrespective of political affiliation, work together in the GST Council to achieve greater tax simplification and rationalization.
- **Revenue Generation:** Both Centre and States are focused on increasing revenue by expanding the tax base and curbing tax evasion, with the ultimate goal of easing tax compliance.

#### GST Simplification and Rate Rationalization:

##### Reduction in GST Rates:

- The average GST rate has decreased from the revenue neutral rate of 15.3% at the time of GST implementation in 2017 to 12.2% in 2023.
- 60% of consumer items attract a GST rate of 5% or less, showing a reduction in tax burdens on the common man.
- **Group of Ministers (GoM):** The GST Council has formed a GoM to consider rate reduction and further rationalization to ensure fairness in the system.

#### Federalism and GST Governance:

- **Collaborative Federalism:**
- The GST Council meetings embody cooperative federalism, where states and the Centre work in unison to address issues and create a balanced tax system.
- This cooperative approach strengthens India's federal structure by ensuring both parties contribute to revenue generation and policy implementation.
- **Challenges and Criticisms:**



**What is GST?**

GST (Goods and Services Tax) amalgamates Central & State Taxes. It mitigates double taxation and makes Indian products more competitive.

**What are the benefits of GST?**

- Final price of goods to be lower
- Relatively large segment of small retailers will either be exempted from tax or will suffer very low tax rates
- Will boost foreign investment
- Generate more employment
- Average Tax burden on firms to come down

**State Taxes to be subsumed within GST**

- State Tax
- Central Sales Tax
- Purchase Tax
- Luxury Tax
- Entry Tax
- Entertainment Tax
- Taxes on Advertisements
- Taxes on Lotteries, Betting and Gambling



- **Political Allegations:** Despite the cooperative nature of the GST Council, opposition parties often claim political friction between Centre and States, especially during election periods.
- **Rate Rationalization Debate:** While efforts are being made to simplify GST, critics argue that certain sectors continue to face higher tax burdens, especially in the 28% bracket, raising concerns about the fairness of the system.

#### Conclusion:

- The Union Finance Minister's remarks underscore the collaborative nature of GST governance in India.
- Despite political allegations, the Centre and States have consistently worked together in the GST Council to streamline the tax system, reduce tax burdens, and ensure effective revenue generation.
- This cooperation strengthens India's federal system and aligns with the broader goals of economic growth and simplification of taxation.

## 7. PAC to take up 'performance review' of regulatory bodies

Source: The Hindu

**Context:** The Public Accounts Committee (PAC) is set to conduct a performance review of regulatory bodies established by Acts of Parliament, such as the Securities and Exchange Board of India (SEBI) and the committee will audit the fees, tariffs, and user charges levied on public infrastructure, including airports and highways.

#### Regulatory Bodies Under Review:

- The PAC has identified several regulatory bodies for suo motu investigation, including SEBI and the Telecom Regulatory Authority of India (TRAI).
- SEBI and the Adani Group: SEBI, under fire following the allegations raised by Hindenburg Research regarding the Adani Group, is of particular interest. The committee's focus is on the regulation of financial markets and SEBI's handling of recent controversies, including allegations of stock price manipulation.

#### Audit of Public Infrastructure Charges:

- **Charges on Public Utilities:** The committee will audit the fees and tariffs levied on the use of public infrastructure, such as airports and highways.

Functions of the Public Accounts Committee	
Examine CAG Audit Report	- The PAC examines the Audit report prepared by the CAG after it has been laid before the Parliament. - The PAC prepares a report on its findings and presents it to the Parliament.
Watchdog of the Public Purse	PAC acts as the watchdog of the public purse by examining the audit report on Appropriation Account and Finance Account.
Scrutiny of the Accounts	The PAC scrutinises the appropriation account to verify - If the funds were legally available. - If a competent authority sanctioned its use. - If the rules laid by the procedure were followed.
Policy Review	• The PAC reviews the public expenditure from the point of view of the <b>economy, prudence, wisdom and propriety</b> to bring out the cases of waste, loss, corruption, extravagance and inefficiency.
Additional Reviews	- PAC examines the the income and expenditure statements of the State Corporations, Autonomous and Semi-autonomous bodies, trading and manufacturing schemes. - The PAC considers the report of the CAG in cases where the President may have required him to conduct an audit of any receipts and to examine the accounts of stores and stocks.





The PAC is set to investigate whether the charges imposed on users are justified and fair.

- **Adani Group's Airport Management:** The Adani Group currently manages seven major airports in India, including Mumbai, Ahmedabad, and Lucknow. With the group handling 23% of the country's passenger traffic, the PAC will examine whether its management practices align with public interest, particularly concerning user charges.

#### **PAC's Mandate and Historical Significance:**

- **Parliamentary Role:** The PAC, one of the oldest parliamentary committees, is responsible for auditing government revenue and expenditure. It holds a unique position in scrutinizing government actions and has wide-ranging powers to call any individual for investigation.
- **Committee's Binding Recommendations:** Unlike other parliamentary committees, the PAC's recommendations are binding on the government, giving it significant authority to enforce accountability.

#### **Challenges and Criticisms:**

- **Broader Investigations:** While the performance review of regulatory bodies is necessary, critics may argue that the PAC's investigations could be politically motivated, particularly ahead of the 2024 elections.

#### **Conclusion:**

- The PAC's upcoming investigations into regulatory bodies and public infrastructure charges are expected to bring critical financial and governance issues to light.
- The performance review of SEBI and the audit of fees on public infrastructure, particularly airports, could have far-reaching implications for regulatory practices and user costs in India.
- The PAC's findings will be crucial as it continues to uphold its mandate of ensuring government accountability and financial transparency.

## **8. The Food Security Act Revamps the Public Distribution System (PDS)**

**Source:** The Hindu

**Context:** The National Food Security Act (2013) aimed to revamp India's PDS, which had 41.7% leakages in 2011-12. Success in states with prior reforms prompted the NFSA to mandate similar improvements nationwide.

#### **Impact of NFSA on PDS Leakages:**

- **Pre-NFSA Leakages:** Before 2013, leakages in states like Bihar (91%), Chhattisgarh (52%), and Odisha (76%) were significantly reduced through early reforms.
- **Post-NFSA Data:** The National Sample Survey's (NSS) Household Consumption Expenditure Survey (HCES) 2022-23 shows that overall leakages have decreased to 22%, down from 41.7% in 2011-12.
- **Estimation Method:** PDS leakages are calculated by comparing household PDS purchases with offtake data from the Food Ministry's Monthly Food Grain Bulletin. Discrepancies, including transport losses or supply delays, contribute to leakage estimates.



### Factors Influencing PDS Leakages:

- **State Contributions:** Some states run expanded PDS programs using both central and state resources. For instance, Chhattisgarh provides quasi-universal coverage using local procurement. If state contributions are included, leakage estimates rise to 22%.
- **Coverage Expansion:** One of NFSA's key reforms was expanding PDS coverage to reduce exclusion errors. By 2022-23, 70% of households were accessing PDS, a rise from 40% in 2011-12. However, NFSA mandates coverage of 66% of the population, while administrative data suggests only 59% are covered.

### Role of Aadhaar in PDS:

- **Aadhaar Integration:** Though Aadhaar-based biometric authentication (ABBA) is credited for reducing PDS leakages, 2017 studies from Jharkhand show leakages had dropped before ABBA, with minimal ghost cards and similar purchase-entitlement ratios in both offline and ABBA villages.

### Challenges and Persistent Issues:

- **Inconsistent Improvements:** States with historically better PDS systems, like Tamil Nadu, have seen an increase in leakages, from 12% in 2011-12 to 25% in 2022-23.
- **Endangered Instrument:** Despite its successes, the PDS remains vulnerable to ill-conceived innovations, such as cash transfers and Aadhaar-based technologies
- **Census Delays:** A delayed Census is excluding over 100 million people from PDS benefits.

### Conclusion:

- The implementation of the NFSA has led to substantial reductions in PDS leakages and improved coverage.
- However, challenges remain, such as ensuring inclusive access and preventing disruptive innovations that could harm the PDS's effectiveness as a key instrument of social policy.

## 9. What is vertical fiscal imbalance?

### Source: The Hindu

**Context:** Vertical Fiscal Imbalance (VFI) denotes the revenue-expenditure mismatch between the Union and States. The 16th Finance Commission seeks to address this imbalance.

### VFI in India:

- **Revenue and Expenditure Discrepancy:** States manage 61% of revenue expenditure but collect only 38% of revenue receipts, making them reliant on Union government transfers.
- **Tax Devolution:** States seek an increase in their share of tax devolution from 41% to 50% to reduce this imbalance.

### Why Reduce VFI?

- **Efficient Tax Collection and Expenditure:** While the Union efficiently collects taxes, local governments are better positioned to manage expenditure on public goods and services.
- **Crisis Impact:** Crises like COVID-19 exacerbated VFI, limiting States' ability to meet expenditure needs.

### Role of the Finance Commission:



- **Tax Distribution and Grants:** The Finance Commission determines tax distribution among States and recommends grants under Article 275 of the Constitution. Tax devolution remains the only untied, unconditional transfer from the Union to States.

#### Calculating VFI in India:

- **Required Devolution:** To eliminate VFI, the share of net proceeds devolved to States should have been 48.94% between 2015-16 and 2022-23. However, the 14th and 15th Finance Commissions recommended only 42% and 41% respectively.

#### Raising Tax Devolution:

- **States' Demand for 50% Share:** Several States have demanded a 50% share of tax devolution to increase their untied resources.
- **Empirical Support:** To eliminate VFI, the share of tax devolution should rise to approximately 49%, enhancing States' fiscal autonomy and efficiency.

#### Conclusion:

- Eliminating VFI would ensure greater fiscal autonomy for States, allowing them to better address local needs and increase the efficiency of their expenditures.
- Increasing tax devolution to around 49% would foster a more balanced and cooperative fiscal federalism.

## 10. Why PM Narendra Modi's visit to Singapore is significant for India's semiconductor push

**Source:** The Indian Express

**Context:** Focus on chip manufacturing during PM Modi's visit to Singapore is of great geo-strategic and geo-economic importance. Singapore was an early mover in the industry, and collaboration with it carries much promise.

#### India's Semiconductor Drive:

- Semiconductors are vital for everything from electronics to defence.
- India launched the Semiconductor Mission in 2021 with a ₹76,000 crore incentive scheme, supporting chip manufacturing.

### Estimation of VFI after devolution of taxes

The 15th Finance Commission had noted that India has had a larger, and rising, vertical fiscal imbalance (VFI) than most other federations

Year	VFI after tax devolution (as a ratio)	The desired share of tax devolution to eliminate VFI (%)
2015-16	0.12	47.82
2016-17	0.13	48.24
2017-18	0.12	47.59
2018-19	0.11	47.38
2019-20	0.18	51.17
2020-21	0.28	56.87
2021-22	0.14	47.90
2022-23 (RE)	0.20	51.42
Average (excluding 2020-21 and 2021-22)		48.94



SOURCE: COMPUTED FROM UNION BUDGET DOCUMENTS, AND STATE FINANCES: A STUDY OF THE BUDGETS, RBI.





- Recent collaborations include Tata Group's partnership with Taiwan's Powerchip Semiconductor to build semiconductor fabs.

#### Singapore's Semiconductor Industry:

- Singapore, accounting for 10% of global semiconductor output, is a significant player due to early investments in the 1970s.
- Major semiconductor firms operate in Singapore, which has a complete value chain, including IC design, assembly, packaging, wafer fabrication, and equipment production.

#### Key Lessons from Singapore:

- **Infrastructure & Connectivity:** Singapore provides advanced industrial parks and robust business conditions.
- **Talent Development:** Universities in Singapore collaborate with companies to train semiconductor professionals, boosting human capital.

#### Challenges and Opportunities:

- Singapore's industry focuses on "mature-node chips," used in appliances and cars but lacks capacity for advanced AI chips.
- Rising production costs push semiconductor firms to seek low-cost locations, presenting opportunities for India to attract investments.

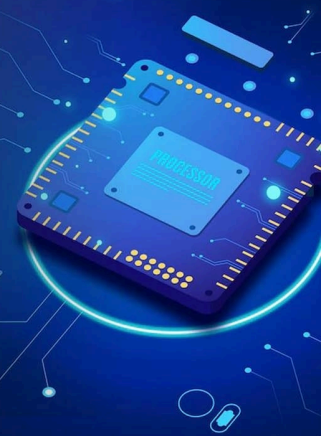
#### Potential for India-Singapore Collaboration:

- India can leverage its lower costs and abundant land to support semiconductor firms seeking expansion.
- Cooperation in talent development and industrial park management could further enhance India's semiconductor ecosystem.

### 6 REASONS WHY INDIA IS AN INVESTMENT HUB FOR SEMICONDUCTORS, AS PER PM MODI



- India's ambitious push for using tech to transform governance in all sectors
- India is investing in developing capabilities in 5G, IoT, clean energy technologies, data, AI, etc.
- India is headed for robust economic growth.
- India's semiconductors consumption is expected to cross \$80 billion by 2026; \$110 Billion by 2030.
- Undertaken wide ranging reforms for ease of doing business in India.
- Undertaken several measures towards transforming the Indian manufacturing sector.



## Daily Quiz

**Q1. With reference to India's "Critical Mineral Mission (2024-25)," consider the following statements:**

1. The mission aims to secure key minerals through domestic production, recycling, and overseas acquisitions.
2. The 2023 amendment to the Mines and Minerals (Development and Regulation) Act allows the private sector to explore six previously restricted minerals.
3. Africa holds 50% of the world's critical mineral reserves, positioning it as a key player in India's critical mineral supply chain.

Which of the statements given above is/are correct?

- A. 1 and 2 only
- B. 1 and 3 only
- C. 2 and 3 only
- D. 1, 2, and 3

**Q2. Assertion (A):** The average GST rate has decreased from the revenue-neutral rate of 15.3% in 2017 to 12.2% in 2023.

**Reason (R):** The reduction in GST rates is a result of the GST Council's efforts to reduce the tax burden on common consumer goods.

**Options:**

- A. Both A and R are true, and R is the correct explanation of A.
- B. Both A and R are true, but R is not the correct explanation of A.
- C. A is true, but R is false.
- D. A is false, but R is true.

**Q3. Assertion (A):** The 23rd Law Commission is mandated to review and suggest improvements

to laws in line with the Directive Principles of State Policy.

**Reason (R):** The Law Commission plays a direct role in enforcing the Directive Principles of State Policy.

**Options:**

- A. Both A and R are true, and R is the correct explanation of A.
- B. Both A and R are true, but R is not the correct explanation of A.
- C. A is true, but R is false.
- D. A is false, but R is true.

**Q4. What system of voting is used in the Lok Sabha and Vidhan Sabha elections in India?**

- A. Proportional Representation
- B. First-Past-The-Post (FPTP)
- C. Mixed Electoral System
- D. Instant-runoff Voting

**Q5. With reference to micronutrient deficiencies, consider the following pairs:**

Nutrient	Impact of Deficiency
1. Iodine	Causes impaired cognitive development and thyroid-related disorders
2. Iron	Leads to anaemia, causing fatigue and reduced oxygen transport
3. Vitamin A	Impairs vision, weakens immunity, and can cause night blindness
4. Vitamin B12	Affects bone health and causes rickets in children



**Q6. With reference to various fiscal and financial issues in India, consider the following pairs:**

Issue	Description
1. Tax Devolution	The distribution of taxes between the Centre and States based on Finance Commission recommendations.
2. GST Compensation	Payment made by the Centre to states to cover revenue loss after the implementation of GST.
3. Fiscal Deficit	The difference between total revenue and total expenditure of the government excluding borrowing.
4. Capital Receipts	Receipts that create liabilities or reduce assets, including loans, borrowings, and taxes.

Which of the pairs given above are correctly matched?

- A. 1 and 2 only
- B. 1, 2, and 3 only
- C. 1, 3, and 4 only
- D. 1, 2, 3, and 4

**Q7. Consider the following statements regarding the Public Accounts Committee (PAC):**

1. The PAC is responsible for auditing government revenue and expenditure.
2. The recommendations of the PAC are binding on the government.

3. The PAC can investigate regulatory bodies established by Acts of Parliament.

Which of the above statements is/are correct?

- A. 1 and 2 only
- B. 2 and 3 only
- C. 1 and 3 only
- D. 1, 2, and 3

**Q8. Assertion (A):** The National Sample Survey (NSS) Household Consumption Expenditure Survey (HCES) 2022-23 shows a decrease in PDS leakages.

**Reason (R):** The decrease in leakages can be attributed to the NFSA's impact on improving the PDS.

**Options:**

- A. Both A and R are true, and R is the correct explanation of A.
- B. Both A and R are true, but R is not the correct explanation of A.
- C. A is true, but R is false.
- D. A is false, but R is true.

**Q9. What role does the Finance Commission play in addressing Vertical Fiscal Imbalance ?**

- A. It provides loans to States for infrastructure projects
- B. It enforces fiscal policies across all levels of government
- C. It determines tax distribution among States and recommends grants
- D. It decides on the allocation of foreign aid to States

**Q10. Assertion (A):** PM Narendra Modi's visit to Singapore is significant for India's semiconductor push due to Singapore's advanced semiconductor industry and infrastructure.

**Reason (R):** India can leverage Singapore's expertise in semiconductor manufacturing and infrastructure to enhance its own semiconductor ecosystem.

**Options:**

- A. Both A and R are true, and R is the correct explanation of A.
- B. Both A and R are true, but R is not the correct explanation of A.
- C. A is true, but R is false.
- D. A is false, but R is true.





## Solutions

### 1. Correct Answer is A

#### Explanation:

- **Statement 1 is correct:** The Critical Mineral Mission (2024-25) aims to secure key minerals through domestic production, recycling, and overseas acquisitions to reduce dependency on other countries, particularly China.
- **Statement 2 is correct:** The 2023 amendment to the Mines and Minerals (Development and Regulation) Act enables the private sector to explore six previously restricted minerals, promoting domestic exploration and boosting India's mineral security.
- **Statement 3 is incorrect:** Africa holds approximately 30% (not 50%) of the world's critical mineral reserves, making it a strategic partner for India's mission, but the figure stated in this option is exaggerated.

### 2. Correct Answer is D

#### Explanation:

- **All statements are correct.** The PAC audits government revenue and expenditure, and its recommendations are binding on the government.
- Additionally, the PAC can investigate regulatory bodies established by Acts of Parliament, such as SEBI and TRAI.

### 3. Correct Answer is C

#### Explanation:

- The 23rd Law Commission indeed has the mandate to suggest legal reforms in alignment with the Directive Principles of State Policy.
- However, it does not enforce these principles; it only recommends changes to the legal framework, and it is up to the government to act upon those recommendations.

### 4. Correct Answer is B

#### Explanation:

- In Lok Sabha and Vidhan Sabha elections, India uses the First-Past-The-Post (FPTP) system, where the candidate with the highest number of votes in a constituency wins the seat, regardless of whether they secure a majority of the total votes.

### 5. Correct Answer is B

#### Explanation:

- **Pair 1 is correct:** Iodine deficiency can lead to thyroid-related disorders and impaired cognitive development, especially in children.
- **Pair 2 is correct:** Iron deficiency causes anaemia, reducing oxygen transport in the blood, leading to fatigue.
- **Pair 3 is correct:** Vitamin A deficiency impairs vision and weakens immunity, causing issues like night blindness.
- **Pair 4 is incorrect:** Vitamin B12 deficiency affects nerve function,



but rickets is caused by a vitamin D deficiency, not vitamin B12.

**6. Correct Answer is A**

**Explanation:**

- The average GST rate has indeed decreased, and this reduction is a result of the Council's focus on easing tax burdens on everyday consumer items, ensuring lower rates on a significant portion of goods.

**7. Correct Answer is B**

**Explanation:**

- **Pair 1 is correct:** Tax devolution refers to the distribution of taxes between the Centre and States based on the Finance Commission's recommendations.
- **Pair 2 is correct:** GST compensation is the payment made by the Centre to states to cover revenue loss due to the implementation of GST.
- **Pair 3 is correct:** Fiscal deficit represents the difference between total revenue and total expenditure, excluding borrowing.
- **Pair 4 is incorrect:** Capital receipts include loans and borrowings but do not include taxes, which are part of revenue receipts.

**8. Correct Answer is A**

**Explanation:**

**Assertion (A):**

- This statement is accurate. According to the National Sample Survey (NSS) Household Consumption Expenditure Survey (HCES) for the year 2022-23, there

has been a noticeable decrease in Public Distribution System (PDS) leakages.

- PDS leakages refer to the loss or diversion of food grains and other essential items intended for distribution to the public.
- The data indicates that these leakages have dropped significantly from 41.7% in 2011-12 to 22% in 2022-23.

**Reason (R):**

- This reason is also accurate. The substantial decrease in PDS leakages can indeed be attributed to the National Food Security Act (NFSA).
- The NFSA, implemented in 2013, introduced several reforms aimed at improving the efficiency and effectiveness of the PDS.

**9. Correct Answer is C**

**Explanation:**

- Reducing VFI is necessary to enable local governments to effectively manage expenditures on public services and goods, as they are better positioned to handle local needs compared to the central government.

**10. Correct Answer is A**

**Explanation:** The assertion highlights the importance of PM Modi's visit to Singapore for India's semiconductor efforts, and the reason correctly explains that leveraging Singapore's advanced semiconductor industry and infrastructure can help enhance India's own semiconductor ecosystem.





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