



PRS Capsule - August 2024

Key Highlights of PRS

▪ Polity and Governance

- Cabinet Approves Unified Pension Scheme for Government Employees
- SC Constitutes Task Force to Recommend Safety Measures for Medical Personnel
- Cabinet Approves Modifications in Pradhan Mantri JI-VAN Yojana
- Cabinet Approves New Industrial Nodes Under the National Industrial Corridor Development Programme
- Voluntary Vehicle Modernisation Programme Launched
- Cabinet Approves the Pradhan Mantri Awas Yojana - Urban 2.0 Scheme
- Cabinet Approved Implementation of PMAY- Gramin for Five Years
- Rules Notified for Offshore Areas Mineral Trust and Auction of Offshore Areas Minerals
- Operational Guidelines for Implementation 'Model Solar Village' Issued
- Amendments to Guidelines on Cross-Border Trade of Electricity Notified
- Centre Constitutes Committee to Monitor Situation at the India-Bangladesh Border

▪ Economy

- Repo Rate Kept Unchanged at 6.5%
- Amendments to the Foreign Exchange Management Rules, 2019 Notified
- RBI Amends the Regulatory Framework for Housing Finance Companies
- RBI Constitutes Expert Committee on Benchmarking Statistics
- Cabinet Approves Programme for Access to High-Quality Planting Material
- Cabinet Approves Expansion of Agriculture Infrastructure Fund

▪ Science and Technology

- Cabinet Approves Policy to Boost High-Performance Biomanufacturing
- Cabinet Approves Vigyan Dhara Scheme

Polity and Governance

Cabinet Approves Unified Pension Scheme for Government Employees

- The Union Cabinet approved the implementation of the [Unified Pension Scheme \(UPS\)](#) for central government employees which will be effective from April 1, 2025.
 - Under UPS, central government retirees will be provided an **assured pension of 50%** of the average basic pay **drawn over the last 12 months** prior to superannuation.
 - Pension will be **indexed to inflation** based on the [Consumer Price Index](#) for **Industrial Workers**.
 - To avail of this, the retiree must have a minimum qualifying service of 25 years.
 - Pension will be proportionately lower for a lesser service period.
 - A minimum pension of **Rs 10,000 per month** will be provided on superannuation after 10 years of service.
 - An **assured family pension of 60%** of the pension of the employee prior to his death will be provided.
 - UPS will be available as an option to employees along with the [National Pension System \(NPS\)](#). Current and future employees will have the option to join either NPS or UPS.
 - To fund the additional expenditure under UPS, the central government's contribution will be increased from **14%** to **18.5%** of salary, while the employees' contribution remains at

10%.

SC Constitutes Task Force to Recommend Safety Measures for Medical Personnel

- The [Supreme Court](#) constituted a **National Task Force (NTF)** to recommend measures to ensure the safety of medical professionals.
- The NTF will recommend measures to **prevent violence against medical personnel** and ensure safe and dignified working conditions.
- It will prepare an **action plan** that recommends improvements in areas such as security, infrastructure, and implementation of sexual harassment laws.
- Ex-officio members of the NTF include Cabinet, Health, and Home Secretaries.

Cabinet Approves Modifications in Pradhan Mantri JI-VAN Yojana

- Cabinet has approved modifications to the [Pradhan Mantri JI-VAN Yojana](#).
- The scheme supports the development of advanced biofuel technologies, such as [second-generation ethanol](#).
- Revisions to the scheme extend its implementation by five years (till 2028-29).
- The scheme has also been expanded to support projects that use feedstock such as agricultural and forestry residues, industrial waste, and algae.

Cabinet Approves New Industrial Nodes Under the National Industrial Corridor Development Programme

- The **Union Cabinet** approved the development of **new industrial nodes** under the [National Industrial Corridor Development Programme](#).
- Under the programme, 11 industrial corridors are being developed across the country.
- The newly approved industrial nodes will be located in the following areas namely, Khurpia, Uttarakhand, Rajpura-Patiala, Punjab, Dighi, Maharashtra, Palakkad, Kerala, Agra, and Prayagraj, Uttar Pradesh, Gaya, Bihar, Zaheerabad, Telangana, Orvakal and Kopparthi in Andhra Pradesh, and Jodhpur-Pali in Rajasthan.
- These will be developed as [new smart industrial cities](#).

Voluntary Vehicle Modernisation Programme Launched

- The Ministry of Road Transport and Highways launched the **Voluntary Vehicle Modernisation Programme** or [Vehicle Scrapping Policy](#).
- It aims to promote **phasing out of unfit polluting vehicles** across the country.
- This will be implemented through a network of registered vehicle scrapping facilities and automated testing stations.
- To incentivise scrapping, vehicle manufacturers have volunteered to **offer discounts on new vehicles** against scrappage certificates.

Cabinet Approves the Pradhan Mantri Awas Yojana - Urban 2.0 Scheme

- The Union Cabinet approved the [Pradhan Mantri Awas Yojana- Urban 2.0](#).
- The scheme seeks to offer financial assistance to one crore poor and middle-class families in urban areas.
- It will be available for five years.
- The assistance will be available for constructing, purchasing, or renting.
- **Key Features are as Follows:**
 - **Eligibility:** The assistance will be available to households who **do not have a pucca house** anywhere in the country and whose annual income is up to nine lakh rupees.
 - **Assistance for Construction:** Eligible households with an annual income of up to three lakh rupees **will receive Rs 2.5 lakh** to build a house on their vacant land. Landless beneficiaries may be granted land rights.
 - **Interest Subsidy for Purchase:** An interest subsidy of 4% will be offered on home loans

- of up to Rs 25 lakh.
- **Purchase of Affordable Housing Units:** Assistance of Rs 2.5 lakh will be provided for **purchasing affordable houses** built through state, city, public, or private partnerships (AHP).
- **Funding of the Scheme:** The scheme is a **centrally sponsored scheme**, except for the interest subsidy component which will be fully funded by the central government.

Cabinet Approved Implementation of PMAY- Gramin for Five Years

- The Union Cabinet approved the continuation of the [Pradhan Mantri Awas Yojana – Gramin \(PMAY-G\)](#) between 2024-25 and 2028-29.
- Under the scheme, the government will provide assistance for the construction of an **additional two crore pucca houses** between April 2024 and March 2029.
- Assistance for each house will remain unchanged at Rs 1.20 lakh in plain areas and Rs 1.30 lakh in north-eastern and hilly states.
- Beneficiaries under the scheme will be selected from an updated Awas+ list and will also include the remaining eligible households from the [Socio-Economic Caste Census \(SECC\) 2011](#).

Rules Notified for Offshore Areas Mineral Trust and Auction of Offshore Areas Minerals

- The Ministry of Mines notified the Offshore Areas Mineral Trust Rules, 2024, and the [Offshore Areas Mineral \(Auction\) Rules, 2024](#).
- These have been issued under the Offshore Areas Mineral (Development and Regulation) Act, 2002.
- The Rules provide for composition and functioning of the **Offshore Areas Mineral Trust**, and auction of production and composite leases for minerals in offshore areas.
- **Key Features of the Rules Include:**
 - **Auction for leases and bidding parameters:** Production and composite licences will be awarded through auction.
 - **Rate of contribution to the Offshore Areas Mineral Trust:** Production leaseholders must pay an amount equivalent to 10% of the royalty as a contribution to the Offshore Areas Mineral Trust Fund.

Operational Guidelines for Implementation 'Model Solar Village' Issued

- The Ministry of Power notified the scheme guidelines for implementing the '[Model Solar Village](#)' component of the [PM-Surya Ghar Muft Bijli Yojana](#).
- This component aims to solarise one village per district.
- Each model village will receive the **assistance of Rs. 1 crore** from the centre.
- The Model Solar Village will be identified through a competition between villages of each district.
- Only revenue villages with a population over 5,000 (or 2,000 in special category states) can compete.
- Eligible villages will be identified by a **District Level Committee (DLC)**.
- After a Model Solar Village is selected, states must develop a plan for transitioning it into a solar-powered village.

Amendments to Guidelines on Cross-Border Trade of Electricity Notified

- The Ministry of Power has amended the 2018 Guidelines on cross border trade of electricity.
- These guidelines provide for the import and export of electricity between India and its neighbouring countries.
- **Key Features of the Amendments are:**
 - **Source of fuel for export of electricity from coal and gas:** The amendments empower the central government to permit additional fuel sources for the export of coal and gas-based electricity.
 - **Domestic sale by export-oriented entities:** The amendments allow the Indian generators that exclusively export electricity to also sell their output domestically under

certain conditions.

Centre Constitutes Committee to Monitor Situation at the India-Bangladesh Border

- The central government constituted a five-member committee to monitor the current situation at the [India-Bangladesh border](#).
- The committee will communicate with counterpart authorities in Bangladesh and ensure the safety of Indian citizens and minorities in Bangladesh.
- In August, the Ministry of External Affairs highlighted several attacks on minorities and their institutions in Bangladesh amidst the large-scale unrest in the country.
- The committee will be headed by the Additional Director General, Border Security Force (BSF), Eastern Command.

Economy

Repo Rate Kept Unchanged at 6.5%

- The [Monetary Policy Committee \(MPC\)](#) of the [Reserve Bank of India \(RBI\)](#) kept the policy repo rate unchanged at 6.5%.
- Other decisions of the Committee include:
 - The [standing deposit facility rate](#) has been retained at 6.25%.
 - The [marginal standing facility rate](#) and the bank rate have been retained at 6.75%.
 - The MPC aims to withdraw support gradually to control inflation towards the 4% target while also encouraging growth.

Amendments to the Foreign Exchange Management Rules, 2019 Notified

- The Ministry of Finance notified amendments to the [Foreign Exchange Management \(Non-debt Instruments\) Rules, 2019](#).
- The 2019 Rules specify the framework for foreign investments in India.
- The 2024 amendments allow a **swap of equity instruments** and equity capital of Indian companies between an Indian resident and a person residing outside India.
 - As per the Ministry, this will **facilitate the global expansion** of Indian companies through mergers, acquisitions, and other strategic initiatives.
 - The amendments also allow **100% foreign investment** in white-label ATM operations under the automatic route.

RBI Amends the Regulatory Framework for Housing Finance Companies

- The Reserve Bank of India (RBI) amended the regulatory framework for [housing finance companies \(HFCs\)](#).
- RBI observed that deposit-accepting HFCs are subject to more relaxed parameters compared to deposit-accepting NBFCs.
- As regulatory concerns associated with deposit acceptance are the same across all categories of NBFCs, such HFCs will now be regulated in line with NBFCs.

RBI Constitutes Expert Committee on Benchmarking Statistics

- The [Reserve Bank of India \(RBI\)](#) constituted an expert committee (Chair: Dr. Michael Debabrata Patra, Deputy Governor, RBI) to benchmark statistics disseminated by the RBI against global standards.
- The Committee Will:
 - Study the quality of other regular data where global benchmarks do not exist.
 - Provide guidance on the scope for further data refinement.
- The committee is required to submit its report by the end of November 2024.

Cabinet Approves Programme for Access to High-Quality Planting Material

- The Union Cabinet approved the [Clean Plant Programme](#) under the Mission for Integrated Development of Horticulture.
- The programme aims to provide high-quality and virus-free planting material to farmers.
 - This is expected to increase crop yields and improve income opportunities.
 - Under the programme, nine Clean Plant Centres will be set up across India focusing on specific fruit types.
 - These centres will be equipped with advanced diagnostic and therapeutic facilities.
 - To ensure accountability in the production and sale of planting material, a certification system will be established under the [Seeds Act, 1966](#).
 - To facilitate the multiplication of clean planting materials, infrastructure support will be provided to large-scale nurseries.
 - The programme aims to address the **diverse agroclimatic conditions** across regions by developing region-specific clean plant varieties and technologies.

Cabinet Approves Expansion of Agriculture Infrastructure Fund

- The Union Cabinet approved the expansion of the financing facility under the [Agriculture Infrastructure Fund \(AIF\)](#).
- All eligible beneficiaries of the scheme will be allowed to create infrastructure under projects for building **community farming assets**.
- Integrated primary secondary processing projects will be included in the list of eligible activities under AIF.
- AIF credit guarantee coverage of [Farmer Produce Organisations](#) will be extended through the NABSanrakshan Trustee Company Pvt. Ltd.

Science and Technology

Cabinet Approves Policy to Boost High-Performance Biomanufacturing

- The Union Cabinet approved the '[BioE3 Policy for Fostering High Performance Biomanufacturing](#)'.
- The Policy aims to accelerate green growth by **promoting biomanufacturing**.
- The policy will provide innovation-driven support for R&D and entrepreneurship across sectors such as [climate-resilient agriculture](#), high-value bio-based chemicals, marine and space research, and biopolymers and [enzymes](#).
- It will facilitate the establishment of Biomanufacturing and Bio-AI hubs and Biofoundry.

Cabinet Approves Vigyan Dhara Scheme

- The Union Cabinet approved the [Vigyan Dhara Scheme](#) from 2021-22 to 2025-26.
- It merges three existing schemes implemented by the Ministry of Science and Technology.
- **The Scheme Will:**
 - Support the establishment of research labs.
 - Promote transnational collaborative research.
 - Expand the number of full-time researchers in the country.
- It will also conduct targeted interventions to increase the participation of women in science and encourage innovation in schools, industry, and startups.