



PRS Capsule - March 2024

Key Highlights of PRS

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 - Supreme Court Strikes Down Immunity to Legislators for Accepting Bribes for Votes or Speeches inside a Legislature.
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Polity and Governance

Election Schedule of Lok Sabha and Four State Assemblies

- The **Election Commission of India** announced the schedule for the general elections to Lok Sabha, and **elections** to four state Legislative Assemblies.
 - The elections to **Lok Sabha** will be held in seven phases from April 19, 2024 to June 1, 2024.
 - Votes will be counted on June 4, 2024.
- Elections to the **Legislative Assemblies** of Andhra Pradesh, Arunachal Pradesh, Odisha and Sikkim will take place at the same time as elections to Lok Sabha.

High Level Committee Recommends Simultaneous Elections

- The **High-Level Committee** (Chair: Former President Mr. Ram Nath Kovind) constituted by the central government submitted its report on simultaneous **elections**.
- Its terms of reference included examining feasibility and suggesting a framework for conducting elections to **Lok Sabha**, state Assemblies, and **local bodies** at the same time.
- Key observations and recommendations of the Committee include:

- **Rationale for simultaneous elections**
 - **Simultaneous elections** will ensure stability and predictability in governance by minimising disruption and policy paralysis caused by the enforcement of the **Model Code of Conduct**.
 - It also noted that **voter participation** will increase.
 - Simultaneous elections can lead to higher economic growth, lower inflation, increased investments, and improved quality of government expenditure.
- **Implementation of simultaneous elections**
 - At the time of the next **general election** to **Lok Sabha**, all **state assemblies** and **local bodies** should be dissolved, irrespective of the remaining term as a **one-time measure**. This will **synchronise** all elections.
 - The Committee recommended holding elections for **Lok Sabha** and all **state assemblies** at the same time, and that of **local bodies** within 100 days from these elections.
 - In case of **mid-term elections**, fresh elections should be held for a **reduced term**. The reduced term will be equivalent to the remaining period of the five-year cycle till the next simultaneous election.

Supreme Court Strikes Down Immunity to Legislators for Accepting Bribes for Votes or Speeches Inside a Legislature

- The Constitution grants **Members of Parliament (MPs)** and **Members of State Legislatures** (MLAs/MLCs) **immunity from criminal prosecution** for their speeches and votes in the legislature (under **Articles 105 and 194**).
- In 1998, the **Supreme Court** held that **MPs** who took a bribe to cast their vote in the House have **immunity from criminal prosecution** under **Article 105(2)**.
 - The reasoning was that the act of taking the bribe and casting the vote are related, and therefore, the immunity for the vote is extended to the bribe.
 - The court further said that an MP who took a bribe but abstained from voting in the House does not enjoy such immunity.
- Now, a seven-judge bench of **the Supreme Court** held that a legislator cannot seek immunity under **Articles 105 and 194** from prosecution on a charge of bribery in connection with a vote or speech in the legislature.
 - It does not matter whether the vote is cast as agreed or if the vote is cast at all.
 - The offence of bribery is complete when the legislator accepts the bribe.

Amendment to Citizenship Rules Notified

- The Ministry of Home Affairs notified the **Citizenship (Amendment) Rules, 2024**.
- **Citizenship (Amendment) Rules, 2024** amend the Citizenship Rules, 2009 to provide citizenship as per the **Citizenship (Amendment) Act, 2019**.
- The 2019 Amendment Act makes **illegal migrants**, who are **Hindus, Parsis, Buddhists, Jains, Christians, or Sikhs** from **Afghanistan, Pakistan, or Bangladesh**, eligible for **citizenship**.
- They must have entered India on or before **December 31, 2014**.
- Key features of the 2024 Rules include:
 - **Documents required:**
 - Any one proof of nationality issued by the government of Afghanistan, Pakistan or Bangladesh. E.g., copy of passport, birth certificate, any type of identity document, license or land records.
 - Any one of the **specified documents** that proves he entered India on or before December 31, 2014. E.g., copy of the **visa** and immigration stamp on arrival in India, **ration card** issued in India, rental agreement registered in India, insurance policies issued in India etc.
 - An eligibility certificate declaring their religion. This must be attested by a **locally reputed community institution**.
 - **+Verification and grant of citizenship:**
 - A **District Level Committee**, headed by the jurisdictional Senior Superintendent or Superintendent of Post, will verify the application and administer the **oath of**

allegiance.

- It will submit the relevant documents to an **Empowered Committee**, headed by the **Director of Census Operations** of a State or UT, for verification.
- If satisfied, the Empowered Committee will grant citizenship to the applicant.
- Under the **2009 Rules**, applications are submitted to the relevant Collector. He verifies the application and then forwards it to the state government or UT administration.
- The application is then sent to the central government, which grants citizenship after completing all inquiries.

Economy

Competition Commission of India Notifies Commitment and Settlement Regulations

- The **Competition Commission of India (CCI)** notified the **Competition Commission of India (Commitment) Regulations, 2024**, and the **Competition Commission of India (Settlement) Regulations, 2024**.
- These Regulations have been notified under the **Competition Act, 2002**, which was amended in 2023 to provide for the **commitment and settlement commitment framework**.
- The amended Act allows enterprises to offer certain commitments (such as change in market behaviour) or pay settlement.
- Key features of the 2024 Regulations include:
 - **Commitment:**
 - A commitment application must be filed with **CCI** within 45 days from receiving the order passed by CCI to initiate investigation.
 - The entire process must be completed in 130 working days from the receipt of the commitment application.
 - The effectiveness of the commitments offered will be measured against factors such as:
 - nature, duration, and extent of the alleged contravention,
 - if the commitment terms address the competition concerns, and
 - if the commitment terms make the markets more competitive.
 - **Settlement:**
 - A settlement application must be made within **45 days** from receiving the investigation report of the **Director General of CCI** into the alleged contraventions.
 - The entire process must be completed within 180 working days from the receipt of the settlement application. The settlement amount would be determined by applying a discount of 15% on a base amount.

RBI Issues Framework for Self-regulatory Organisations

- The **Reserve Bank of India (RBI)** released a framework for recognising **self-regulatory organisations (SROs)** for **regulated entities**.
- Entities regulated by the RBI include banks, non-banking finance companies, and payment system operators.
- **SROs** can improve effectiveness of regulations through technical expertise and aid in framing **regulatory policies**.
- Key features include:
 - **Process for recognition:**
 - An interested SRO may apply to RBI for recognition.
 - For this, it must meet certain eligibility criteria. These include: (i) being registered as a **not-for-profit company**, (ii) representing the sector and having specified membership, and (iii) its directors must have professional competence and have general reputation of **fairness and integrity**.
 - **Adherence to specified principles:**
 - An SRO should: (i) derive authority from membership agreements to set **ethical**

and governance standards, (ii) establish objective and **consultative processes** to make rules for conduct of its members, (iii) develop standards for improving compliance culture, and (iv) have surveillance methods for effective monitoring of the sector.

◦ **Responsibilities towards members:**

- The primary responsibility of the SRO towards its members will be to promote **best business practices.**
- Other responsibilities include: (i) framing and monitoring adherence to the **code of conduct** for its members, (ii) developing a uniform and non-discriminatory membership fee structure, (iii) establishing a **grievance redressal and dispute resolution/arbitration framework** for its members, and (iv) promoting knowledge of statutory/ regulatory provisions.

◦ **Membership criteria:**

- **SROs** should have a good mix of members at all levels to **represent** the sector **holistically.**
- The membership criteria will be prescribed by RBI. Membership to an **SRO** will be **voluntary.**
- The minimum prescribed membership must be attained within two years from the grant of recognition to the SRO.

IRDAI Notifies Regulations for Insurance Products

- The **Insurance Regulatory and Development Authority of India (IRDAI)** notified the **IRDAI (Insurance Products) Regulations, 2024.**
- It seeks to repeal several regulations including:
 - IRDAI (Micro Insurance) Regulations, 2015,
 - IRDAI (Health Insurance) Regulations, 2016,
 - IRDAI (Unit Linked Insurance Products) Regulations, 2019.
- Key features include:
 - **Design and pricing:**
 - Design and pricing of **insurance products** must adhere to certain criteria.
 - These include:
 - ensuring evolving **risk coverage** needs of customers,
 - **simple-to-understand** products,
 - premium rates not being excessive, inadequate, or discriminatory,
 - factoring in all relevant risks while pricing products.
 - **Product Management Committee:**
 - The Board of every insurer must constitute a **Product Management Committee.**
 - Responsibilities of the Committee include ensuring:
 - appropriate product design for the target market,
 - regulatory compliance,
 - periodic reviews of product performance,
 - modification or withdrawal of the product, if required.
 - **Review of products:**
 - All insurance products must be **reviewed at least once a year** by the appointed actuary.
 - The review should consider:
 - reasonable expectations of all stakeholders,
 - **financial viability** of the product,
 - **emerging risk** and experience under the product,
 - any other relevant factors.

SEBI Notifies Regulations for Index Providers

- The **Securities and Exchange Board of India (SEBI)** notified the **SEBI (Index Providers) Regulations, 2024.**
- It includes: (i) calculation of the index, (ii) determining the index methodology, and (iii) dissemination of the index. The Regulations will apply to index providers that administer significant

indices of securities listed on a recognised Indian stock exchange for use in Indian securities market.

- Key features include:
 - **Registration:**
 - Index providers must register with SEBI.
 - Applicants must meet certain eligibility criteria such as:
 - must be an entity incorporated under the [Companies Act, 2013](#),
 - have a minimum net worth of Rs 25 crore,
 - they possess the necessary infrastructure and [human resources](#) to conduct the business of an index provider.
 - **Oversight committee:**
 - The index provider must form an **oversight committee** to govern the benchmark determination process.
 - Functions of the committee include:
 - reviewing the need for change in index design or computation methodology,
 - overseeing the introduction of new [financial benchmarks](#),
 - reviewing the procedures for discontinuation of an index.
 - **Quality of the index:**
 - The index design must represent the **underlying interest** which the index seeks to measure.
 - The index must be calculated using data that is sufficient to represent the **underlying interest**.
 - **Dispute resolution:** The index provider must create a [dispute resolution mechanism](#) for disputes between the index provider and subscribers.

SEBI Introduces Framework for Small and Medium REITs

- The [Securities and Exchange Board of India \(SEBI\)](#) notified amendments to the SEBI (Real Estate Investment Trusts) Regulations, 2014.
- [Real Estate Investment Trusts \(REITs\)](#) pool money from investors to invest in [real estate assets](#).
- Key changes under the 2024 amendments include:
 - **Definition of REIT:**
 - The 2014 Regulations define [REIT](#) as a [trust](#) registered under the regulations.
 - The 2024 amendment specifies that REIT refers to a person who pools **at least Rs 50 crore from at least 200 investors** to acquire and manage real estate assets or properties.
 - **Small and medium REIT:**
 - Assets that can be acquired under a scheme of small and medium REITs will be of value **between Rs 50 crore and Rs 500 crore**.
 - It should have at least 200 unitholders, excluding the investment manager of the REIT, its [related parties](#), and associates.
 - **Eligibility:**
 - For registration, the **small and medium REIT** must meet certain criteria such as:
 - the registration application being made by the investment manager on the trust's behalf,
 - the investment manager having a net worth of **at least Rs 20 crore with at least two years' experience** in the real estate industry or in real estate fund management, and
 - at least half of the directors of the investment manager are [independent](#).

India Signs Trade Agreement with European Free Trade Association

- India signed a [trade and economic partnership](#) agreement with the [European Free Trade Association \(EFTA\)](#).
- The [EFTA](#) comprises Switzerland, Iceland, Norway, and Liechtenstein.
- Under the agreement, EFTA would aim to increase [foreign direct investment](#) in India by USD 100 billion in the next 15 years.

- India will have [market access](#) covering all non-agricultural products and [tariff concessions](#) on processed agricultural products in the EFTA.
- India will provide tariff concessions on goods such as certain items of iron and steel, garments, and building machinery.

Industry

Scheme to Promote Domestic Manufacturing of Electric Vehicles Notified

- The [Ministry of Heavy Industries](#) notified the [Scheme to Promote Manufacturing of Electric Passenger Cars in India.](#)
- The scheme will offer reduced import duty on [Electric Vehicles \(EVs\)](#) to global manufacturers, provided that manufacturers commit to domestic manufacturing.
- Key features of the scheme include:
 - **Eligibility:**
 - The scheme is open to [global automotive manufacturers](#) with a minimum **annual revenue of Rs 10,000 crore.**
 - The manufacturer must commit to **invest at least Rs 4,150 crore (~USD 500 million)** over a period of three years for manufacturing EVs in India.
 - The manufacturer must achieve 25% [domestic value addition](#) within three years of approval, and **50% within five years.**
 - **Incentive:**
 - The scheme offers manufacturers a **reduced import duty of 15%** on completely imported EVs for five years from the date of approval.
 - The imported EVs must have a minimum Cost, Insurance and Freight (CIF) value of USD 35,000.
 - **Bank guarantee:**
 - The manufacturer will be required to submit a **bank guarantee of Rs 4,150 crore** or the **quantum of duty forgone**, whichever is higher.

Electric Mobility Promotion Scheme Notified

- The [Ministry of Heavy Industries](#) notified the [Electric Mobility Promotion Scheme, 2024.](#)
- The scheme aims to promote **faster adoption of electric two and three wheeler vehicles** (EVs) (including e-rickshaws).
- It will have an **outlay of Rs 500 crore.** It will be implemented over four months between **April and July 2024.**
- Key features include:
 - **Incentive to consumers:**
 - Incentive of **Rs 5,000 per kWh** will be provided for **two and three-wheeler EVs.**
 - The scheme will mainly cover [commercial vehicles](#) and those used for **public transport.**
 - However, two wheeler EVs owned privately or by corporates will also be incentivised.
 - **Claiming incentives:**
 - In order to claim the incentive from the government, manufacturers must meet **certain criteria.**
 - These include:
 - registration with the [Ministry of Heavy Industries](#) and approval for each of their [electric vehicle](#) models,
 - each vehicle model satisfying minimum **technical eligibility criteria** for performance and efficiency,
 - vehicles must be **manufactured in India.**

Revamped Pharmaceuticals Technology Upgradation Assistance Scheme Approved

- The [Ministry of Chemicals and Fertilisers](#) approved the [Revamped Pharmaceuticals](#)

Technology Upgradation Assistance Scheme.

- Key features of the revamped scheme include:
 - **Applicability expanded:**
 - Under the original scheme, **MSMEs** were provided with **interest subvention** for meeting **regulatory standards.**
 - The revamped scheme expands eligibility to include **pharmaceutical manufacturing** units including those whose average three-year turnover is below Rs 500 crore.
 - **Support for complying with new standards:**
 - Under the original scheme, support was **provided for upgrades** such as **heating, ventilation and air conditioning (HVAC) systems, stability testing chambers, and automatic particle counters** for sterile areas.
 - In addition to support for these upgrades, the revised scheme will cover clean room facilities, effluent treatment, and water and steam utilities.
 - **Turnover-based incentive structure:**
 - Incentive will be calculated as a **percentage of actual investment** made.
 - It will also be **linked to the average turnover** in the past three years.

Cabinet Approves Uttar Poorva Transformation Industrialisation Scheme

- The Union Cabinet approved the **Uttar Poorva Transformative Industrialisation Scheme (UNNATI), 2024.**
- The central sector scheme will be implemented over a 10-year period with a total cost of Rs 10,037 crore.
- The scheme aims to develop industries and generate employment in the **north-eastern states.**
- Incentives that will be provided under the scheme include:
 - **capital investment incentive** for new and expanding units,
 - **interest subvention** for new and expanding units,
 - **incentives linked** to manufacturing for new units.

Environment

Amendments to Plastic Waste Management Rules, 2016 Notified

- **The Ministry of Environment, Forest and Climate Change** notified amendments to the **Plastic Waste Management Rules, 2016.**
- The amendments add obligations for manufacturers of **biodegradable plastic.**
- Key features of the amendments include:
 - **Biodegradable plastic manufacturers:**
 - **Biodegradable plastics** must bear separate markings and labels issued by the **Bureau of Indian Standards** and the **Food Safety and Standards Authority of India.**
 - Manufacturers of **compostable/biodegradable plastic** products must obtain a certificate from the Central Pollution Control Board (CPCB) before marketing or selling.
 - **Entities obligated to fulfil EPR:**
 - Sellers and manufacturers of plastic products are required to fulfil **extended producer responsibility (EPR)** obligations.
 - Under the 2016 Rules, obligated entities included producers of **plastic packaging.**
 - The amendments exempt **MSME producers.** Certain **obligations** of MSME will be fulfilled by their raw material suppliers.
 - However, the MSMEs will have to meet targets related to using **recycled plastic.**
 - **Trading EPR certificates:**
 - The Rules permit trading **EPR certificates.**
 - The amendments specify that the price of the certificate will be determined by the CPCB, subject to certain limits.
 - The **minimum price** will be **30%** of the compensation payable by non-complying

- entities, and the **maximum price** will be **100%** of the compensation.
- **Raw material for single use plastics:**
 - The amendments **prohibit manufacturers** and importers of plastic raw material from supplying to entities that manufacture **single use plastic** items that are prohibited by law.

Amendments to Battery Waste Management Rules, 2022 Notified

- The [Ministry of Environment, Forest and Climate Change](#) notified amendments to the [Battery Waste Management Rules, 2022](#).
- The Rules require battery producers to meet [extended producer responsibility \(EPR\)](#) obligations related to **recycling and refurbishing** battery waste.
- [EPR certificates](#) may be traded to fulfil EPR obligations.
- Key features of the Amendments are:
 - **Price of EPR certificates:**
 - [Central Pollution Control Board \(CPCB\)](#) must specify the minimum price and the maximum price for the EPR certificates.
 - The price must factor in the cost of collection, environmental compensation, and sound management of [waste batteries](#).
 - As per the amendments, the **minimum price** of an EPR certificate will be **30% of the compensation**, and the maximum price will be **100% of compensation**.
 - **Guidelines on compensation:**
 - Under the **2022 Rules**, the CPCB is empowered to levy a **compensation** in case of **non-compliance with EPR obligations**.
 - As per the 2024 amendments, CPCB will prepare and recommend the guidelines. CPCB may consult the implementation committee during the process.

Guidelines Issued for Schemes Under the National Green Hydrogen Mission

- The [Ministry of New and Renewable Energy](#) has issued guidelines for various schemes under the [National Green Hydrogen Mission](#).
- Schemes under the Mission include:
 - research and development (R&D),
 - incentives for [electrolyser](#) manufacturing (a device to convert water into hydrogen and oxygen),
 - [skill development](#),
 - setting up of [hydrogen hubs](#).
- Key features of the guidelines include:
 - **R&D scheme:**
 - Financial support (for the cost of the project) will be provided for R&D in areas such as hydrogen production, storage, testing, and transportation.
 - Projects will be divided into **short term (up to five years)**, **mid-term (up to eight years)**, and **long term (up to 15 years)**, depending on existing capabilities.
 - **Electrolyser manufacturing:**
 - The scheme provides financial incentives to support domestic manufacturing of [electrolysers](#).
 - Companies must have a net worth of **one crore rupees per megawatt** of manufacturing capacity to be eligible.
 - **Smaller manufacturers** (with a net worth of Rs 30 lakh per megawatt or higher) are also eligible under a separate tranche of the scheme.
 - **Setting up hydrogen hubs:**
 - Regions that can support large scale production/ utilisation of [hydrogen](#) will be identified and developed as [hydrogen hubs](#).
 - Support will be provided for core infrastructure such as storage and transportation and [water treatment facilities](#).
 - **Skill development:**
 - This scheme seeks to carry out skilling, and design curricula for schools and [higher educational institutions](#).

- Individuals aged between 18-45 years, who fulfil the required job criteria, will be eligible for training.

Inter-Ministerial Committee Releases Report on Coal Import Substitution

- An Inter-Ministerial Committee constituted by the [Ministry of Coal](#) released a report on [coal import substitution](#).
- Coal is largely used for [power generation](#) (64%), [steel production](#) (8%) and [cement production](#) (5%).
- The demand for coal is projected to be **1.6 billion tonnes by 2030**.
- Key observations and recommendations include:
 - **Reduction of coking coal imports:**
 - [Coking coal](#) is primarily used in the **production of steel**. The steel industry fulfils 90% of its coking coal requirements through imports.
 - Thus, the Committee recommended that more [coking coal](#) should be supplied to the steel sector.
 - The Committee also recommended that the [washing capacity](#) be increased.
 - **Reduction of non-coking coal imports:**
 - **Non Coking coal** is used in the production of power.
 - The Committee recommended that boilers use [domestic coal](#) and be **retrofitted** to make them **compatible** with domestic coal.
 - **GST compensation cess on coal:**
 - [Cess](#) is levied at a flat rate of Rs 400 per tonne. This is regardless of the origin (domestic or imported), quality, or source.
 - This leads to a higher cost for **domestic coal per unit of energy**, as domestic coal is generally inferior in energy content as compared to imported coal.
 - The Committee recommended [rationalising GST compensation cess on coal](#).

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