



PRS Capsule - July 2022

Key Highlights of PRS

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Governance

Amendments in National Anti-Doping Bill, 2021

The [National Anti-Doping Bill, 2021](#) was passed by Lok Sabha with amendments incorporating some changes recommended by the Standing Committee on Sports.

- The Bill seeks to prohibit doping in sports and provides for constituting the **National Anti-Doping Agency** as a **statutory body**.
- Doping is the consumption of certain prohibited substances by athletes to enhance performance.

What are the Key Features of the Bill?

- The Bill prohibits **athletes, athlete support personnel**, and **other persons** from **engaging in doping in sport**.
 - Support personnel include the **coach, trainer, manager, team staff, medical personnel**, and other persons working with or treating or assisting an athlete.
 - These persons must ensure that there is no violation of **anti-doping rules** which include:
 - The presence of prohibited substances or its markers in an athlete's body.
 - **Use, attempted use or possession of prohibited substances or methods.**
 - Refusing to submit a sample.
 - **Trafficking or attempted trafficking in prohibited substances or methods.**
 - **Aiding or covering up** such violations.
- **Functions:**
 - Planning, implementing, and monitoring anti-doping activities.
 - Investigating anti-doping rule violations.
 - Promoting anti-doping research.
- The Committee noted that the Bill does not make a distinction between **minor** and **adult athletes**.

- It recommended that the distinction between a **minor** and **adult athlete** should be made in the Rules to ensure a protective mechanism for minor athletes.

What has been Added to Anti-Doping Rules?

- Other people who are either participating or involved in sport.
- Persons specified as '**protected persons**' by the central government as per the prescribed manner. As per the [World Anti-Doping Agency Code](#), a protected person is:
 - Below the age of **16**.
 - Below the age of **18** and has **not participated** in any **international competition** in the **open category**.
 - Lacks legal capacity as per their country's legal framework.

What is the National Anti-Doping Agency?

- Currently, anti-doping rules are implemented by the **National Anti-Doping Agency** which was established as a society.
- The Bill provides for constituting this **National Anti-Doping Agency** as a **statutory body**.
- It will be headed by a **Director General** appointed by the central government.

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Mediation Bill, 2021

The **Standing Committee on Personnel, Public Grievances, Law and Justice** submitted its report on the [Mediation Bill, 2021](#).

- It seeks to promote mediation process (including online mediation) and provide for enforcement of settlement agreements resulting from mediation bill 2021.

What is Mediation?

- Mediation in India is a voluntary, binding process in which an impartial and neutral mediator facilitates disputing parties in reaching a settlement.
 - Mediation processes are a type of [Alternative Dispute Resolution](#) because they offer an alternative measure to litigation.
 - A mediator does not impose a solution but creates a conducive environment in which disputing parties can resolve all their disputes through the mediation process offered by the **Mediation Bill 2021**.

What are the Key Observations and Recommendations of the Committee?

- **Pre-Litigation Mediation:**
 - The Bill mandates parties to attend at least **two mediation sessions**. A cost may be imposed on them if they fail to attend the sessions without reasonable cause.

- The Committee observed that by mandating **pre-litigation mediation**, parties will have to wait for several months before being allowed to approach a **court or tribunal**. This may result in delayed cases.
- The Committee recommended reconsidering mandating pre-litigation, making it optional and introducing it in a phased manner.
 - The Bill also provides that pre-litigation mediation will be applicable to matters pending before a tribunal.
 - The Committee noted that there is lack of clarity as to how such matters can come under the purview of pre-litigation mediation process.
- **Timeline for Mediation:**
 - The mediation process must be completed within **180 days**, which may be extended by another **180 days**.
 - The Committee recommended reducing it to **90 days** with an extension of **60 days** as per **Mediation bill 2021**.
- **Confidentiality in Proceedings:**
 - Parties in a mediation proceeding are required to keep information relating to the proceedings confidential.
 - The Committee noted that there is no punishment/ liability for breaching confidentiality as per Mediation bill 2021.
 - It recommended that the Bill should provide for a provision for cases of breach of confidentiality.
- **Registration of Agreements:**
 - The Bill provides for mandatory registration of mediated settlement agreements.
 - The Committee recommended leaving registration to the discretion of the parties.

Renewable Purchase and Energy Storage Obligations

- The **Ministry of Power** notified trajectories for **Renewable Purchase Obligation (RPO)** and **Energy Storage Obligation (ESO)** for the **2022-30** period.
 - **RPO** refers to the obligation of power distribution companies to procure a minimum percentage of power from renewable sources.
 - **ESO** refers to the obligation to source a minimum percentage of power from wind or solar through an energy storage facility.

What is Renewable Energy?

- Energy from natural sources that replenishes more quickly than it is used up is referred to as **Renewable Energy**.
 - Examples of such sources that are continuously replenished are sunlight and the wind. There are many different types of renewable energy available to us.
 - More emissions are produced by burning fossil fuels than by producing electricity from renewable sources.

What are the Key Conditions to Meet These Obligations?

- **Wind and Hydro Renewable Purchase Obligations (RPO):**
 - A specified percentage of the overall RPO renewable energy must come from wind and hydro sources.
 - Only electricity obtained from projects that were put into service after March 2022 will be considered for the wind Renewable Purchase Obligation.
 - Only electricity procured from large hydro projects that were put into service after March 2019 will be considered for the hydro Renewable Purchase Obligation (RPO). Imported Hydropower will not be taken into account for Renewable Purchase Obligation.
- **Powers of State Commissions:**
 - The state electricity regulatory commissions may specify the Renewable Purchase Obligation and Energy Storage Obligation (ESO) over and above the target specified by the Ministry.

Reviewing Higher Education Institutions

- The **Standing Committee on Education, Women, Children, Youth, and Sports** submitted its report on '**Review of education standards, accreditation process, research, examination reforms and academic environment** in Deemed/Private Universities/other [Higher Education Institutions](#)'.

What were the Key Observations and Recommendations of the Committee?

- **Higher Education Commission of India (HECI):**
 - The [National Education Policy \(NEP\), 2020](#) provides for the creation of **Higher Education Commission of India (HECI)** as a principal regulator for higher education.
 - The Committee observed that a Bill to provide for **HECI** is under drafting stage.
 - It recommended that while creating HECI, aspects related to specifying jurisdiction, independence and protection of stakeholder interest should be considered.
 - Instead of having parallel regulatory authorities for higher education, a simplified hierarchy having the final say in implementation should be constituted.
- **Examinations in State Universities:**
 - The Committee noted that state universities face issues in conducting examinations. These issues are:
 - Question paper leak.
 - Rampant cases of copying
 - Student examiner nexus.
 - It recommended that accreditation of the institution's exam management should be considered. Adoption of digitisation of the examination process may be incentivised.
- **Social Sciences and Technical Education:**
 - The Committee recommended the experiment of providing humanities courses in technology institutions and assess its impact on the institution.
 - Further, social science/humanities/art modules should be included in the technical education.

Guidelines on Prohibition of Levying of Service Charges

The [Central Consumer Protection Authority \(CCPA\)](#) issued guidelines prohibiting restaurants and hotels from automatically adding service charge to the bill.

What are the Key Observations of the CCPA?

- The **CCPA** observed that a tip or gratuity is given at the discretion of the consumer.
- It also noted that the component of service is included in the price of food and beverages offered i.e., pricing of the product covers the goods and services component.
 - There is no restriction on **hotels and restaurants** to set the prices of food and beverages.
- According to **CCPA**, charging anything other than the said price of the product, along with applicable taxes, amounts to unfair trade practices under the **Consumer Protection Act, 2019**.
 - If a service charge is levied or the consumer is coerced into paying it, a complaint may be filed to the **National Consumer Helpline** or **Consumer Commission**.

What is the Central Consumer Protection Authority (CCPA)?

- **About:**
 - **Central Consumer Protection Authority (CCPA)** has been established through the [Consumer Protection Act, 2019](#).
 - It is a statutory body that works under the **Department of Consumer Affairs in the Ministry of Consumer Affairs, Food & Public Distribution**.
- **Objective:**
 - It is intended to **promote, protect and enforce** the **rights of consumers** as a class.
 - It will be empowered to conduct investigations into violation of **consumer rights and institute complaints / prosecution, order recall of unsafe goods and services,**

order discontinuation of unfair trade practices and misleading advertisements, impose penalties on manufacturers/endorsers/publishers of misleading advertisements.

Why did Delhi HC Restrict the Levying of Service Charges?

- The **Delhi High Court** stayed the guidelines on grounds that levying service charge may not amount to unfair trade practices under the [Consumer Protection Act](#).
 - The Act defines unfair trade practice as adopting an unfair method or deceptive practice for promoting the sale, use, or supply of goods or services.
- The Court clarified that **service charge may be levied but must be prominently displayed** on the menu or other places where it may be expedient.
 - Further, such a charge **cannot be levied in the case of takeaways**.

Report on Quality Control Cells

- The **Standing Committee on Food, Consumer Affairs, and Public Distribution** presented its report on '**Quality Control Cells (QCCs)**'.

What are the key observations and recommendations of the Committee?

- **Need for More QCCs:**
 - **QCCs** are responsible for ensuring the quality of the central pool of foodgrains stock from procurement to distribution.
 - Presently, there are 11 **QCCs** in the country.
 - The Committee noted that the number of **QCCs** is inadequate.
 - It recommended setting up more **QCCs** to address the issue of quality control comprehensively and prevent losses due to damaged foodgrains.
- **Grievance Redressal:**
 - The Committee noted that there have been numerous complaints of beneficiaries getting inferior quality foodgrains.
 - Further, it observed that helpline numbers have been ineffective in solving day-to-day problems of the beneficiaries.
 - The Committee recommended streamlining the functioning of these helpline numbers. It is also recommended:
 - Independent surprise visits and inspections at fair price shops by the department of food and public distribution or any independent agency.
 - CCTV monitoring of fair price shops to monitor the distribution and diversion of **PDS** items at these shops.

Amendments to Plastic Waste Management Rules, 2016

The Ministry of Environment, Forest and Climate Change notified amendments to the [Plastic Waste Management Rules, 2016](#) under the [Environment Protection Act, 1986](#).

- The Rules lay down standards for manufacturing and selling material (such as bags and packaging material) produced from plastic.
- The Rules also specify the framework for [plastic waste management](#).

What are the key features of the amendments?

- **Biodegradable Plastics:**
 - The amendments add that before marketing or selling, manufacturers/sellers of biodegradable plastics should obtain a certificate from the [Central Pollution Control Board \(CPCB\)](#).
 - Further, biodegradable plastics should conform to standards notified by [Bureau of Indian Standards](#) and certified by the **CPCB**.
 - The amendments define **biodegradable plastic** as plastic (other than compostable

plastic) that undergoes degradation by biological processes without leaving residue harmful to the environment.

- **Environmental Compensation:**
 - The amendments add that environmental compensation will be levied on persons not complying with the provisions of the Rules as per guidelines notified by CPCB.
- **Implementation of Rules in UTs:**
 - The [State Pollution Control Board \(SPCB\)](#) and [Pollution Control Committee \(PCC\)](#) are responsible for enforcing the Rules in UTs. The amendments adds that the Central Pollution Control Board will also be responsible for enforcing the Rules in UTs.
- **Registration of Manufacturers:**
 - Manufacturers of carry bags, recycle plastic bags, or multi layered packaging must obtain registration from the **SPCB** or the **PCC of the UT**. The amendments provide that such manufacturers will have to obtain registration from:
 - SPCB/PCC of the UT if operating in one or two states or UTs.
 - The CPCB, if operating in more than two states or UTs.

Economy

Financial Services Institutions Bureau

- The Cabinet Appointments Committee (ACC) has passed a government resolution to establish the [Financial Services Institutions Bureau \(FSIB\)](#) in place of the Banks Board Bureau (BBB).

What is the Financial Services Institution Bureau (FSIB)?

- **About:**
 - The **Ministry of Finance** constituted a [Financial Services Institutions Bureau \(FSIB\)](#).
 - The **FSIB** will recommend persons for appointment as whole-time directors and non-executive chairpersons on the boards of financial services institutions.
 - Financial services institutions include **public sector banks** and **public sector insurers**.
 - **FSIB** replaces the [Banks Board Bureau](#) which had a similar mandate.
- **Composition:**
 - FSIB will have a **part-time chairperson, four ex-officio members and six part time members** nominated by the central government. The **ex-officio members include:**
 - Secretary of the **Department of Financial Services**.
 - Secretary of the **Department of Public Enterprises**
 - Chairperson of the **Insurance Regulatory and Development Authority of India**
 - A Deputy Governor of the **Reserve Bank of India**
- The nominated members will be chosen from among **former bankers, former regulators, academicians, and business persons**.

What are the functions of FSIB?

- Apart from recommending persons for appointment as **directors** and **chairpersons**, **FSIB** will advise the central government on:
 - Desired management structure of financial services institutions.
 - Formulation and enforcement of a **code of conduct** and **ethics** for directors in financial institutions
 - Help such institutions in **developing business strategies** and **capital raising plan**
 - Evolve training program for management personnel.

RBI Allows International Trade Settlement in Indian Rupees

Recently, the [Reserve Bank of India \(RBI\)](#) has put in place a mechanism to facilitate International Trade in Rupees (INR), with immediate effect.

- The [Reserve Bank of India \(RBI\)](#) has allowed invoicing, payments and settlement of exports and imports in Indian rupees.

What are the Key Elements of this International Trade Settlement?

- It is seeking to promote global trade with emphasis on exports from India.
- Support the increasing interest of the global trading community in the Indian rupee.
- Authorized dealer banks have to seek approval from RBI till the new mechanism comes into force.
- All exports and imports will be denominated and invoiced in rupees under this arrangement.
- The market will determine the currency exchange rate between two trading partners.

What are the Key Observations and Recommendations of the Committee?

- **Exemption from Statutory Deposits:**
 - Prior to July 1, 2022, banks were required to include all foreign currency non-resident bank and non-resident (external) rupee (NRE) deposits under **net demand and time liabilities (NDTL)**.
 - NDTL is used to calculate the proportion of deposits that banks have to maintain under the cash reserve ratio (CRR) and the **statutory liquidity ratio (SLR)**.
 - **CRR** is the amount of cash reserve that banks have to maintain with RBI. **SLR** is the amount of deposits that banks have to mandatorily invest in certain assets such as gold and government securities.
 - The RBI has now exempted incremental foreign currency deposits, mobilized from July 1, 2022 up to November 4, 2022, from CRR and SLR requirements.
- **Interest on Deposits:**
 - Earlier, interest rates on **FCNR(B)** deposits were subject to a ceiling which was determined based on a benchmark interest rate.
 - Similarly, interest rates on **NRE deposits** could not be higher than those on domestic rupee term deposits.
 - Between July 7, 2022 and October 31, 2022 banks interest rate changes related to **FCNR(B)** and **NRE deposits** will be exempt from these regulations.
- **FPI Investment in Debt:**
 - Investment channels for **foreign portfolio investors (FPI)** in government securities and corporate bonds include:
 - **Medium Term Framework (MTF)**
 - **Fully Accessible Route (FAR)**
 - Under **FAR**, **FPIs** can invest in specified government securities without any investment ceilings.
 - The current list of specified securities include all central government securities with **5-year, 10-year, and 30-year tenor**.
 - The **RBI** has now expanded this list to include all new government securities issued with tenors of seven years and 14 years.
 - Under **MTF**, for both corporate debt and government securities, a maximum of **30% FPI investment** can be in instruments with residual maturity of less than a year.
 - Investments made in government and corporate debt by FPIs will be exempted from this limit up to **October 31, 2022**.

SEBI Issues Regulatory Framework for Social Stock Exchange

The **Securities and Exchange Board of India (SEBI)** notified the regulatory framework for social stock exchange (SSE).

What are the key features?

- **Entities Eligible to Raise Funds:**
 - **Nonprofit and for-profit** social enterprises can raise funds through **SSE**.
 - A social enterprise should be engaged in specified activities which include:
 - Eradicating **hunger, poverty, malnutrition, and inequality**.
 - promoting **education, employability, and livelihoods**
 - Promoting **health care** and making available **safe drinking water**
 - Promoting **livelihoods** for **rural and urban poor**.

- Such enterprises should target underserved or less privileged population segments or regions with lower performance in development priorities.
- Certain entities such as **corporate foundations, political or religious organizations, and professional or trade associations** will not be eligible to be categorized as a social enterprise.

▪ **Instruments of Fundraising:**

- **Not-for-profit organizations** may raise funds through:
 - Issuing zero coupon zero principal instruments to institutional and non-institutional investors
 - Donations through mutual funds.
- **Zero coupon zero principal instruments** will have no coupon payment or principal repayment on their maturity.
- They will have a minimum issue size of one crore rupees. For-profit social enterprises can raise funds through:
 - Issuing equity shares
 - Issuing debt securities.

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