



PRS Capsule - April 2024

Key Highlights of PRS

▪ Polity and Governance

- SC rejects petition seeking return to paper ballots, 100% verification of VVPAT slips
- TRAI releases recommendations on sharing of telecom infrastructure and spectrum

▪ Social Justice

- Committee to recommend measures for the welfare of queer persons constituted

▪ Economy

- RBI releases circular for transition of small finance banks to universal banks.
- RBI releases draft guidelines for transparency in loan aggregation in digital lending.
- RBI issues draft directions on electronic trading platforms
- Repo rate kept unchanged at 6.5%

▪ Environment

- Draft guidelines released for PM Surya Ghar: Muft Bijli Yojana

Polity and Governance

SC Rejects Petition Seeking Return to Paper Ballots, 100% Verification of VVPAT Slips

- The Supreme Court rejected a petition seeking certain reforms in the voting process.
- The petitioners sought:
 - Return to the paper ballot system of voting, or
 - Physical verification of VVPAT slips by voters, and/or
 - 100% counting of **VVPAT slips** in addition to counting of votes recorded in an Electronic Voting Machine (EVM).
- In the recent judgment, the Court stated that:
 - So far no mismatch between **VVPAT slips** and electronically recorded votes has been detected.
 - 100% counting of **VVPAT slips** would cause delays in counting and require manpower involved to be doubled.
 - The **EVMs** have effectively eliminated issues such as booth capturing and invalid votes, which were prevalent in the **paper ballot system**.
 - Voters gaining physical access to **VVPAT slips** will lead to misuse and malpractices.
- The Court issued two directions in this case:
 - After symbols of all candidates are loaded into the **VVPAT machine, symbol loading units** should be sealed and stored in a room with the **EVMs** for at least 45 days after results are declared.
 - The **burnt memory/microcontroller** of 5% of all **EVMs** in each assembly constituency or segment of a parliamentary constituency should be checked by a team of engineers from the EVM manufacturer for **tampering**, after results are declared.

TRAI Releases Recommendations on Sharing of Telecom Infrastructure and Spectrum

- The [Telecom Regulatory Authority of India \(TRAI\)](#) has released its recommendations on 'Telecom Infrastructure Sharing, Spectrum Sharing, and Spectrum Leasing'.
- Telecom infrastructure is broadly divided into **two categories**:
 - **Passive infrastructure**: It refers to the **non-electronic** infrastructure (such as towers, buildings and poles).
 - **Active infrastructure**: It refers to **electronic** infrastructure (such as **radios and transceivers**).
- [Spectrum](#) refers to a band of [radio frequency](#) used for telecommunication.
- Key recommendations include:
 - **Infrastructure Sharing**:
 - **TRAI** has recommended that [telecom service licensees](#) should be allowed to share all types of **passive and active infrastructure**.
 - **Passive infrastructure** may be shared with **all types of licensees**; however, **active infrastructure** may only be shared based on the **scope of the services** offered.
 - Sharing of **core network** elements will not be allowed if there will be less than two independent core networks after sharing.
 - There must be **mandatory sharing** of government-funded passive infrastructure e.g., [Universal Service Obligation Fund](#) (now the Digital Bharat Nidhi).
 - **Spectrum Sharing and Leasing**:
 - **TRAI** has recommended that access providers should be allowed to share and lease **spectrum**.
 - The government will also levy a fee equal to 0.5% of the value of spectrum shared.

Social Justice

Committee to Recommend Measures for the Welfare of Queer Persons Constituted

- The [Ministry of Law and Justice](#) constituted a committee to recommend measures for the welfare and protection of [queer individuals](#).
- The Committee has been constituted in pursuance of a [Supreme Court judgment](#) in October 2023.
 - The Supreme Court examined whether the [Special Marriage Act, 1954](#) violated the [fundamental right to equality and liberty](#) by not recognising marriage between **queer couples**.
- The Committee will be chaired by the [Cabinet Secretary](#).
- Members of the Committee include Secretaries of the [Department of Home](#), [Ministry of Women and Child development](#), and [Department of Health and Family Welfare](#).
- The Committee will examine and recommend measures to ensure that **queer persons**:
 - Are not **discriminated** against while accessing goods, services and welfare entitlements,
 - Do not face threats of **violence or coercion**, and
 - Are not subjected to **involuntary medical treatments**.

Economy

RBI Releases Circular for Transition of Small Finance Banks to Universal Banks

- The [Reserve Bank of India \(RBI\)](#) released a circular to provide for the **voluntary transition of small finance banks to universal banks**.
- For transitioning into a **universal bank**, **small finance banks** must meet certain conditions.
- **Conditions** include:
 - A **satisfactory track record** of performance for **minimum five years**,
 - Their **shares listed** on a recognised [stock exchange](#).
 - A minimum net worth of **Rs 1,000 crore** at the end of the previous quarter, and
 - **Net profit** in the last **two financial years**.
- It is **not mandatory** for **small finance banks** to have an identified [promoter](#). Any existing promoters must continue as promoters on transitioning to a **universal bank**.

- Eligible **small finance banks** with a diversified **loan portfolio** will be preferred for transitioning to **universal banks**.

RBI Releases Draft Guidelines for Transparency in Loan Aggregation in Digital Lending

- The **Reserve Bank of India (RBI)** released draft guidelines on '[Digital Lending - Transparency in Aggregation of Loan Products from Multiple Lenders](#)'.
- For borrowers to have prior information about potential lenders, the draft guidelines specify certain measures.
- **Measures include:**
 - The lending service providers must provide a **digital view of loan offers** to the borrower from all willing lenders,
 - The lending service provider must follow a **consistent mechanism** to determine willingness of lenders to offer a loan, and
 - The **content** displayed must be **unbiased** and should not promote a particular product through [dark patterns](#) to mislead the borrowers.

RBI Issues Draft Directions on Electronic Trading Platforms

- The [Reserve Bank of India \(RBI\)](#) issued draft RBI ([Electronic Trading Platforms](#)) Directions, 2024.
- **Electronic Trading Platforms (ETPs)** are electronic systems, other than recognised [stock exchanges](#), for transacting in eligible instruments.
- Key features of the directions include:
 - **Authorisation:**
 - Entities, [residents](#), or [non-residents](#) can operate an **ETP** after securing authorisation or registering with the **RBI**.
 - **Authorized/registered** operators must transact in only those instruments on their platform which have been approved by **RBI**.
 - Existing **ETPs** must apply for authorisation/ registration within three months of the directions being issued.
 - **Eligibility Criteria:**
 - For securing authorisation an entity must meet **certain criteria**.
 - Criteria include:
 - The entity must be a company **incorporated in India**,
 - The entity or its key **managerial personnel** must have at least **three years' experience** in operating financial trading infrastructure,
 - The entity must have a minimum net worth of **five crore rupees**,
 - Have the capability to **disseminate trade information** on real-time or near real-time basis.
 - **Operating Framework:**
 - An ETP operator must follow certain requirements.
 - These include:
 - Having an **objective and transparent** membership criterion,
 - Conducting due diligence while onboarding members,
 - Adopting a comprehensive **risk management framework**,
 - Putting in place controls to **reduce** likelihood of **erroneous transactions**,
 - Designing an **arrangement** to address **disputes** between members.
 - **Preservation of Data:**
 - All data relating to activities on the **ETP** must be maintained for at least **10 years**.

Repo Rate Kept Unchanged at 6.5%

- The [Monetary Policy Committee \(MPC\)](#) of the **Reserve Bank of India** kept the **policy repo rate** (the rate at which RBI lends money to banks) unchanged at **6.5%**.
- **Other decisions** of the Committee include:
 - The [standing deposit facility rate](#) (the rate at which RBI borrows from banks without

- giving collateral) has been retained at **6.25%**.
- The **marginal standing facility rate** (the rate at which banks can borrow additional money from RBI) and the **bank rate** (rate at which RBI buys bills of exchange) have been retained at **6.75%**.

Environment

Draft Guidelines Released for PM Surya Ghar: Muft Bijli Yojana

- The **Ministry of New and Renewable Energy** released draft guidelines on the implementation of **PM Surya Ghar: Muft Bijli Yojana** for public feedback.
- It aims to provide for the installation of **rooftop solar** in one crore households.
- The scheme has an estimated outlay of Rs 75,021 crore.
- It will subsume the existing **Grid Connected Solar Rooftop Programme (Phase-II)**.
- The draft guidelines have been issued for the largest sub-component i.e. **Central Financial Assistance (CFA)** to residential consumers.
- Key features include:
 - **Eligibility for Assistance:**
 - **Only residential consumers** of electricity can avail the scheme. This includes **individual households and housing societies**.
 - Households will receive CFA for rooftop solar systems with capacity up to **three kilowatts**.
 - **Implementation:**
 - Vendors and beneficiaries must register on a **national portal**.
 - **Vendors** must upload system **offerings, price points, design, and specifications**.
 - Once the rooftop solar system has been installed, CFA will be transferred to the beneficiary's account, or to the loan account (in case of financing).