



PRS Capsule - March 2024

Key Highlights of PRS

▪ Polity and Governance

- Schedule of elections to Lok Sabha and four State Assemblies Announced.
- High Level Committee Recommends Simultaneous Elections.
- Supreme Court Strikes Down Immunity to Legislators for Accepting Bribes for Votes or Speeches inside a Legislature.
- Amendment to Citizenship Rules Notified

▪ Economy

- Competition Commission of India Notifies Commitment and Settlement Regulations
- RBI Issues Framework for Self-regulatory Organisations
- IRDAI Notifies Regulations for Insurance Products
- SEBI Notifies Regulations for Index Providers
- SEBI Introduces Framework for Small and Medium REITs
- India Signs Trade Agreement with European Free Trade Association

▪ Industry

- Scheme to Promote Domestic Manufacturing of Electric Vehicles Notified
- Electric Mobility Promotion Scheme Notified
- Revamped Pharmaceuticals Technology Upgradation Assistance Scheme Approved
- Cabinet Approves Uttar Poorva Transformation Industrialisation Scheme

▪ Environment

- Amendments to Plastic Waste Management Rules, 2016 Notified
- Amendments to Battery Waste Management Rules, 2022 Notified
- Guidelines Issued for Schemes Under the National Green Hydrogen Mission
- Inter-Ministerial Committee Releases Report on Coal Import Substitution

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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