

POLITY & GOVERNANCE**DRAFT BATTERY SWAPPING POLICY**

Recently, the NITI Aayog released Draft Battery Swapping Policy for Stakeholder Comments.

Draft Battery Swapping Policy**Vision:**

- To catalyse the large-scale adoption of Electric Vehicle (EVs) by improving efficient and effective use of scarce resources (viz. public funds, land, and raw materials for advanced cell batteries) for the delivery of customer centric services.
- This Policy would support the vision by promoting the adoption of battery swapping technology.

Objectives:

- Promote swapping of batteries with Advanced Chemistry Cell (ACC) batteries to decouple battery costs from the upfront costs of purchasing EVs, thereby driving EV adoption.
- Offer flexibility to EV users by promoting the development of battery swapping as an alternative to charging facilities.
- Establish principles behind technical standards that would enable the interoperability of components within a battery swapping ecosystem, without hindering market-led innovation
- Leverage policy and regulatory levers to de-risk the battery swapping ecosystem, to unlock access to competitive financing.
- Encourage partnerships among battery providers, battery OEMs and other relevant partners such as insurance/financing, thereby encouraging the formation of ecosystems capable of delivering integrated services to end users.
- Promote better lifecycle management of batteries, including maximising the use of batteries during their usable lifetime, and end of life battery recycling.

Key Proposals:

- The draft policy has suggested that the GST Council consider reducing the differential across the tax rates on Lithium-ion batteries and electric vehicle supply equipment.
 - Currently, the tax rate on the former is 18 per cent, and 5 per cent on the latter.
- Policy offers the same incentives available to electric vehicles that come pre-equipped with a fixed battery to electric vehicles with swappable batteries.
 - The size of the incentive could be determined based on the kWh (kilowatt hour) rating of the battery and compatible EV," the draft policy states.
- The government will also specify a minimum contract duration for a contract to be signed between EV users and battery providers to ensure they continue to provide battery swapping services after receiving the subsidy.
- The policy also requires state governments to ensure public battery charging stations are eligible for EV power connections with concessional tariffs.
 - It also proposes to bring such stations under existing or future time-of-day (ToD) tariff regimes, so that the swappable batteries can be charged during off-peak periods when electricity tariffs are low.
- The policy also proposes to assign a unique identification number (UIN) to swappable batteries at the manufacturing stage to help track and monitor them.
 - Similarly, a UIN number will be assigned to each battery swapping station. It also proposes to install battery swapping stations at several locations like retail fuel outlets, public parking areas, malls, kirana shops and general stores etc.

Significance

- Time, space, and cost efficiency, provided each swappable battery is actively used.
- Battery Swapping provides a level playing field to innovative and sustainable business models such as 'Battery As a Service' (BaaS).
- Battery as a Service business models which will ensure lower upfront costs, minimal downtime, and lower space requirements.
- The Policy addresses key technical, regulatory, institutional, and financing challenges that will help develop battery swapping ecosystems to unlock the large-scale adoption of battery swapping in India.

Battery Swapping

- It is an alternative which involves exchanging discharged batteries for charged ones.
- Battery Swapping de-links the vehicle and fuel (Battery in this case) and hence reduces the upfront cost of the vehicles.
- It is popularly used for smaller vehicles such as 2 and 3 wheelers which have smaller batteries that are easier to swap compared to other automotive segments wherein the same can be implemented mechanically.

Indian Initiatives in EV Technology

- The Faster Adoption and Manufacturing of Electric (Hybrid) Vehicles in India (FAME) I and II,
- The Production Linked Incentive (PLI) for National Programme on Advanced Cell (ACC) Battery Storage (NPACC), to boost indigenous battery manufacturing capacity.
- State governments are developing complementary policies to promote Electric Vehicle adoption.
- E-mobility Revolution: India's e-mobility revolution is led by the two-wheeler (2W) and three-wheeler (3W) vehicle segments.
 - 2Ws account for 70-80% of all private vehicles, whereas 3Ws play a critical role for last mile connectivity in cities.

Way Ahead

The Government of India shall expedite the implementation of Battery Swapping policy and interoperability standards in order to improve efficiency in the EV Ecosystem.

India's Commitments in Glasgow

- During the COP26 summit in Glasgow, India committed to:
- reduce carbon emission intensity by 45%,
- take our non-fossil energy capacity to 500 GW by 2030,
- meet 50% of our energy requirements from renewable energy by 2030,
- achieve the Net Zero target by 2070.

Road Transport Sector:

- It is one of the major contributors to CO2 emissions and accounts for one third of the particulate matter emissions.
- To decarbonize the transport sector, transition to clean mobility, led by electric vehicles, is paramount.
- Electric mobility represents a viable option to meet these commitments, while packed with innovative business solutions, appropriate technology, and support infrastructure.

IMPORTANT FACTS FOR PRELIM**1. Solar Flare**

Recently, the Sun unleashed a massive 'X-Class' solar flare, causing major fluctuations in the ionosphere above India.

About

- X-Class denotes the most intense flares, while the number provides more information about its strength.
- It has been caused because of the ionospheric impact localised over the Pacific region
- It can impact satellite communication and global positioning systems.

About Solar Flares

- They are massive bursts of electromagnetic radiation emerging from the Sun's surface.
- The sudden outburst of electromagnetic energy travels at the speed of light, therefore any effect upon the sunlit side of Earth's exposed outer atmosphere occurs at the same time the event is observed.
- They usually take place in active regions, which are areas on the Sun marked by the presence of strong magnetic fields; typically associated with sunspot groups.
- They are usually associated with the Sun's active regions, like sunspots (the darker areas on the solar surface).
- Flares can last from a few minutes to some hours.
- **Impact:**
 - They can impact radio communications, electric power grids, navigation signals, and pose risks to spacecraft and astronauts.

2. National Civil Services Day

- Every year 21st of April is celebrated as National Civil Services Day.
- Civil Service in our country comprises Indian Administrative Service, Indian Police Service, Indian Foreign Service, and a comprehensive list of All India Services and Central Services Group A and B.

About:

- The day is solely dedicated to India's civil servants in various departments.
- It acknowledges the contribution of these officials in public administration.

History:

- On this day in 1947, India's first Home Minister Vallabhbhai Patel had addressed the probationers of Administrative Services Officers at the Metcalf House in New Delhi.
 - Sardar Patel also laid out the rules and principles of good governance for the civil servants in his address.

➤ He referred to administrative officers as the "Steel Frame of India".

- First such function was held at Vigyan Bhawan, New Delhi in 2006.

Objective:

- To motivate and appreciate the work and efforts of Civil Service officers.
- To evaluate the work of various departments under the civil services.
- To felicitate and award the best working individuals and groups.
- PM's Awards for Excellence in Public Administration are presented on the day.

Significance:

- It is an occasion for the civil servants to rededicate themselves to cause of citizens and renew their commitments to public service and excellence in work.
- It is also an occasion for all civil servants to transform governance and constantly try to implement public policies that will make the country 'Atmanirbhar' (self-reliant).

Related Constitutional Articles

- Article 309: Recruitment & conditions of service of persons serving Union or States.
- Article 310: Pleasure exercised by President of India on appointment & dismissal of Civil servants.
- Article 311: Dismissal, removal or reduction in rank of persons employed in civil capacities under the Union or a State.
- Article 312: Creation of one or more All India Services common to Union & States.
- Article 315: Public Service Commissions for the Union and for the States.

Sardar Vallabhbhai Patel (1875-1950)

- Also known as the Iron Man of India.
- Referred to administrative officers as "Steel Frame of India".
- Indian barrister & part of Congress during the independence struggle.
- First Deputy PM, Minister of Home Affairs, Minister of Information & Minister of States.
- Played a significant role in the integration & political unification of India.
- Statue of Unity, the tallest statue in the world (182m), is a tribute to him.

3. National Financial Reporting Authority

The National Financial Reporting Authority (NFRA) to get more powers to act against auditors and company executives.

About

Constitution:

- The NFRA was constituted as a statutory body in 2018 by the Government of India under Sub Section (1) of section 132 of the Companies Act, 2013.

Functions and Duties:

- Recommend accounting and auditing policies and standards to be adopted by companies for approval by the Central Government;
- Monitor and enforce compliance with accounting standards and auditing standards;
- Oversee the quality of service of the professions associated with ensuring compliance with such standards and suggest measures for improvement in the quality of service;
- Perform such other functions and duties as may be necessary or incidental to the aforesaid functions and duties.
- Protect the public interest and the interests of investors, creditors and others associated

Jurisdiction of NFRA:

- The jurisdiction of NFRA for investigation of Chartered Accountants and their firms would extend to listed companies and large unlisted public companies
- The NFRA is tasked to investigate audit of Listed Companies and Unlisted companies with net worth not less than Rs 500 crore or paid-up capital of not less than Rs 500 crore or annual turnover not less than Rs 1,000 crore as on March 31 of immediately preceding financial year, and companies having securities listed outside India.
- The Centre further has the power to refer the entities for investigation where public interest would be involved. The rest are regulated by ICAI.
- The inherent regulatory role of ICAI as provided for in the Chartered Accountants Act, 1949 shall continue in respect of its members in general and specifically with respect to audits pertaining to private limited companies, and public unlisted companies .

Significance:

- India is now eligible to become a member of the International Forum of Independent Audit Regulators (IFIAR), due to an independent audit oversight body in the country.
- It will attract foreign/domestic investments and enhance economic growth.

DAILY ANSWER WRITING PRACTICE

Q1. Sagarmala project provides opportunity for improving carrying capacity and developing ports as a key contributor to economic growth. Discuss. (250 words)

Introduction

The Ministry of Shipping launched the Sagarmala project in 2015. The Sagarmala project seeks to develop a string of ports around India's coast. The objective of this initiative is to promote "Port-led development" along India's 7500 km long coastline. It aims to develop access to new development regions with intermodal solutions and promotion of the optimum modal split, enhanced connectivity with main economic centres and beyond through expansion of rail, inland water, coastal and road services.

Body
Issues with existing port infrastructure and development

- **Inadequacies in Infrastructure:** Existing ports have poor road network within port area and inadequate cargo-handling equipment.
- **Lack of modernisation:** New machinery, navigational aids, insufficient dredging capacity and lack of technical expertise for port development are issues that bog Indian ports.
 - Eg: Faster customs clearance is limited due to obsolete scanners, requiring manual intervention.
- **Lack of Specialization:** In the port sector, instead of creating regional cargo-specific ports in peninsular India, the bureaucracy has repeatedly allowed similar infrastructural developments in multiple cargo-handling ports. As a result, Indian ports compete for the same cargo.
- **Lack of Market determined tariffs:** Currently tariffs for Major ports are fixed by Tariff Authority of Major Ports (TAMP) which has no standard methodology in applying tariff regulations to major ports and terminals.

Sagarmala as a solution in creating transshipment hubs

It is an initiative Ministry of Shipping and is estimated that Sagarmala could boost India's merchandise exports to \$110 billion by 2025 and create an estimated 10 million new jobs. There are four pillars which will aid in creation of modern transshipment hubs through modern infrastructure.

- **Port modernization & new port development.**
- **Port connectivity enhancement** through rail corridors, freight-friendly expressways and inland waterways.
- **Port-linked industrialization through CEZs, SEZs and Manufacturing Clusters.**
- **Coastal Community development:** Coastal communities should be made ship owners. This will initiate carriage of cargo by shallow drafted small ships through coast and inland waterways.
 - All minor ports in peninsular India will emerge as contributing ports to the existing major ports and become transshipment hubs on their own.
 - Old sailing vessel owners should be encouraged to become small ship owners.
- It includes the establishment of rail/road linkages with the port terminals, thus providing last-mile connectivity to ports.
 - Moreover, with cargo-specific ports and developing Inland waterways (Jal marg Vikas), connectivity to hinterland will become a reality.
- **Sagarmala will help** in development of linkages with new regions, enhanced multi-modal connectivity including rail, inland water, coastal and road services. Thus creating a holistic model of port development.

Way Forward

- With the call for 'Make in India' growing louder and with simultaneous multi-folded cargo growth in the country, there is a need for ships to cater to domestic and international trade.
- Short sea and river voyages should be encouraged.
- The ship-owning spirit of the Indian merchant marine entrepreneur has to be restored.
- Shipbuilding and owning should be encouraged by the Ministry.
- Prevent brain drain as most of the global shipping companies which depend on Indian cargo for their business have Indians as either commercial heads or Indian crew onboard their ships.
- Sagarmala should concentrate on consolidating the strength of the coastal youth and make them contribute to the nation's economy with pride. Hours believe in its nuclear doctrine through effective confidence building measures.

DAILY QUIZ

1. Consider the following statement
1. Phone tapping in India is governed by The Indian Telegraph Act, 1885.

