PRS LEGISLATIVE RESEARCH

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Parliament

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Parliamentary Standing Committees constituted for 2014-15

Standing Committees have been constituted in Lok Sabha and Rajya Sabha.[1] A detailed list of members on various Parliamentary Committees can be found here.

Some Committees such as Finance, Agriculture, Rural Development and Energy, have identified topics that will be examined this year. These include Financial Inclusion, Review of performance of regulatory bodies like SEBI and IRDA, Tax Reforms, Direct Benefit Transfer Scheme, BPL Survey, Evaluation of the National Food Security Mission, and a Review of the Electricity Act, 2003.

Energy

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Supreme Court cancels the coal block allocation of all but four coal blocks

On September 24, 2014, the Supreme Court cancelled the allocation of all but four coal blocks.

On August 25, 2014, the Supreme Court held as illegal all coal block allocations made by the central government since 1993.[2] For details of the August 25 judgment, see here. Of the coal block allocations declared illegal, 40 coal blocks are producing coal (two of which are Ultra Mega Power Projects (UMPPs)). Another six coal blocks are ready to start production.

Subsequently the Court was examining what was to be done with these coal blocks. It decided:

- Of the 40 coal blocks in production, the allocation of 37 coal blocks was cancelled. The remaining three coal blocks are UMPP projects in Moher and Moher Amroli, and the Tasra mines with the Steel Authority of India Ltd.
- Of the six coal blocks ready to produce, the allocation of five blocks was cancelled. The allocation of the Pakri-Barwadih coal block of the National Thermal Power Corporation was not cancelled.
- The allocation of all other coal blocks was cancelled.
- Coal blocks not covered by the August 25 judgment, and the four coal blocks not cancelled, are to pay a compensatory amount of Rs 295 per metric tonne of all coal extracted. This payment is to be made by December 31. In addition, coal extracted between December 31, 2014 and March 31, 2015 will also attract this additional levy.
- As per the submission of the central government, Coal India Limited will take over the production of the mines currently producing coal/ ready to produce coal. The cancellation will take effect from March 31, 2015, giving Coal India Limited (CIL) and coal block allottees time to manage their affairs.

Land

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Rules for Land Acquisition Act, 2013 notified

The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (Social Impact and Consent) Rules, 2014 were published on August 8, 2014.[3]

The Act regulates the process of acquiring land for public purpose.[4] It requires that a Social Impact Assessment (SIA) be conducted before acquiring land. The Rules outline the process of conducting an SIA.

The Act requires that the consent of land owners be obtained prior to the acquisition of their land, in some cases. Consent of 80% of land owners is required for the acquisition of land for private projects and 70% of land owners for public-private partnerships. No consent is required for acquisition for government projects. The Rules outline the process of obtaining the consent of land owners.

Social Impact Assessment:

- The government which is acquiring land must establish an independent organisation to conduct SIAs or to ensure that they are conducted by organisations other than the body requiring land. This organisation will determine the SIA fee. A notification for carrying out an SIA must be published within 30 days of receiving the SIA fee from the body requiring land.

- The SIA report (along with a Social Impact Management Plan) must be published within six months of its commencement. It must include the nature and extent of the social impact of the project.
- The SIA must be conducted in consultation with the panchayat or municipality, and also include a public hearing in affected Gram Sabhas.

Consent:

- The consent of land owners must be obtained while the SIA is being conducted. The District Collector will be responsible for obtaining consent. The government must update land titles to identify land owners.

For information on the Act, please see here.

Supreme Court clarifies position on lapse of land acquisition proceedings in certain cases

In a judgment dated September 10, 2014 the Supreme Court stated its position on the lapse of land acquisition proceedings in certain cases, with the enactment of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.[5]

The new Act (2013) states that in case land acquisition proceedings were initiated under the Land Acquisition Act, 1894, and the award (to land owners) was made five years before the enactment of the new Act (2013) but physical possession has not been taken, or compensation has not been paid, the land acquisition proceeding will lapse and will have be initiated under 2013 Act.

The Court held that the five year period mentioned above would include any delay due to an order of stay or injunction by a court.

Law and Justice

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Supreme Court declares the National Tax Tribunal as unconstitutional

On September 25, 2014, the Supreme Court held that the National Tax Tribunal Act, 2005 was unconstitutional and struck it down.[6]

The National Tax Tribunal Act, 2005 constituted the National Tax Tribunal (NTT), a quasi-judicial appellate tribunal. The NTT was vested with the powers of deciding appeals arising from orders passed by Appellate Tribunals constituted by the Income Tax Act, the Customs Act, 1962, and the Central Excise Act, 1944.

The Court held that:

(i) **Transfer of judicial power permissible**: Transfer of judicial power vested in superior courts to coordinate courts/ tribunals is permissible. But whenever there is such transfer, all conventions and practices of the court to be replaced must be incorporated in the tribunal created.

(ii) **Sections 5,6,7,8 and 13 of the NTT Act unconstitutional**: These provisions demonstrated that the NTT differs from the High Courts on issues related to:

- Efficacy and convenience of remedy available, as the tribunal bench was mandated to be located in the NCT of Delhi;
- The central government has a role in the constitution and functioning of the tribunal, i.e. determining where the benches would be set up, its jurisdiction, composition and constitution of the benches. This could affect independence and fairness of its members;
- Appointment and qualification of its members, which includes Accountant and Technical members. The composition of the tribunal including appointment and qualification of its members would have to be on the same parameters as that of the HC judges.

In light of the fact that Sections 5,6,7,8 and 13 of the NTT Act were held to be unconstitutional, the Court held that the remaining provisions were rendered worthless. Thus, the Act as a whole was set aside.

Law Commission submits interim report on obsolete laws that warrant immediate repeal

The Law Commission submitted its interim report on 'Obsolete Laws: Warranting Immediate Repeal' to the Law Ministry on September 12, 2014.[7] This is the first report of the study on 'The Legal Enactments: Simplifications and Streamlining' being undertaken by the Commission.

In its report, the Law Commission noted that 253 laws, despite having been recommended for repeal in earlier reports, still exist in the statute books. The Commission has asked the concerned Ministries for their observations on why these laws still exist.

The Law Commission also made some specific recommendations:

- So far, 72 statutes have been found to be fit for repeal. This is because: (i) the subject matter of the law in question is outdated, or (ii) the law is no longer needed to govern that subject, or (iii) there is newer law governing the same subject matter.
- Only those Appropriation Acts that are older than 10 years may be repealed. This would result in the repeal of more than 700 laws. Further, including a repeal clause in the Appropriation Act every year would be useful.
- 34 laws which have already been repealed are still available on the ministry websites. These laws must be removed.

Law Commission submits report on the Indian Succession Act, 1925

The Law Commission submitted its report on 'Sections 41 to 48 of the Indian Succession Act, 1925 - Proposed Reforms' to the Law Ministry on September 12, 2014.[8]

The Indian Succession Act, 1925 deals with succession of property by a will and intestate succession (where no will exists).

The report examined provisions of the Indian Succession Act, 1925 which deal with intestate succession of property of a deceased person without descendants. These provisions apply to Christians. The Commission noted that these sections were discriminatory towards women.

Salient recommendations of the Commission include:

- At present, the Act states that upon the death of the person, his father would inherit his entire property, and mother gets no share. The law must be amended to ensure that the parents of the deceased person inherit the property in equal.
- Currently, the Act states that if the person's father is dead, but mother and brother and sisters are living, the mother and each living sibling shall inherit the property in equal shares. This provision should be amended to state that if either of the parents is dead, the other parent shall inherit the entire property.
- The Act provides for cases where the brother or sister of the deceased person has also died, but the mother is alive. Under these circumstances, the child of the dead sibling will inherit the sibling's share in the property along with the mother of the deceased. This provision should be amended to allow the nieces and nephews of the deceased to inherit a share of the property, only if both of the parents of the deceased are also dead.

Macroeconomic Developments

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India's Balance of Payments for January to March 2014

In the first quarter (April-June) of 2014-15, India's current account deficit (CAD) stood at USD 8 billion, a decline of USD 14 billion from its value in the first quarter of 2013-14.[9]

Table 1: India's Balance of Payments for April-June 2014 (in USD billion)

Items	Q1 : 2013-14	Q4 : 2013-14	Q1 : 2014-15
A. Current Account	-22	-1	-8
B. Capital Account	21	9	20
C. Errors and Omissions	1	-1	-1
Change in reserves (A+B+C)	0	7	11

Sources: RBI; PRS.

Capital account inflows increased in the first quarter, after a sharp fall in the previous quarter. Capital account surplus stood at USD 20 billion, a fall of USD one billion from the first quarter of 2013-14.

Retail inflation decreases to 7.8% in June

The Wholesale Price Index inflation fell from 5.2% in July 2014 to 3.7% in August 2014. This is driven by a decline in food inflation and fuel inflation. The Consumer Price Index inflation decreased from 8% in July to 7.8% in August. However, food inflation increased marginally from 9.1% to 9.2%. [10, 11]

IIP increases by 1% in July 2014

The Index of Industrial Production (IIP) increased by 1% in July 2014 (year-on-year), a decline from 2% in June and 5% in May 2014.[12] Manufacturing production (weight 75%) *declined* 1% in July, after three months of positive manufacturing production.

RBI keeps repo rate unchanged

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In its Fourth bi-monthly Monetary Policy Statement from September 30, 2014, the Reserve Bank of India (RBI) took the following decisions: [13]

- The repo rate was kept unchanged at 8%. The repo rate has been at 8% since January 28, 2014.
- The liquidity provided under the export credit refinance (ECR) facility was reduced from 32% of eligible export credit outstanding to 15% from October 10, 2014. RBI had previously reduced the ECR from 50% to 32% in June 2014.

Finance

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The Expenditure Management Commission

The government has decided to constitute an Expenditure Management Commission under the chairmanship of Dr. Bimal Jalan.[14] The Commission will: (i) review major areas of central government expenditure, the institutional arrangements (such as budgeting process), (ii) suggest ways of meeting development expenditure needs without compromising on fiscal discipline, (iii) suggest a strategy to improve allocative efficiency, to meet reasonable proportion of expenditure on services through user charges, etc, and (iv) consider any other relevant issue concerning public expenditure management.

The constitution of the Expenditure Management Commission was announced in the Budget 2014-15.[15] The Commission is expected to submit its interim report before the Budget 2015-16, and the final report before the Budget 2016-17.

Task Forces for the FSLRC set up

The Ministry of Finance has, upon the recommendation of the Financial Sector Regulatory Reforms Commission, set up four Task Forces to assist the Ministry in preparing the roadmap for the establishment of new agencies. The four Task Forces are

- Task Force on Public Debt Management Agency (Ch: Mr. Dhirendra Swarup)[16]
- Task Force on Financial Sector Appellate Tribunal (Ch: Justice N.K. Sodhi)[17]
- Task Force on Financial Data Management Centre (Ch: Dr. Subir Gokarn)[18]
- Task Force on Resolution Corporation (Ch: Mr. M. Damodaran)[19]

The Task Force will complete its task within one year.

Committee to examine unclaimed amounts remained in PPF, Post Office Saving Schemes, etc. constituted

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The Ministry of Finance has set up a Committee to examine unclaimed amounts of Public Provident Fund (PPF), Post Office Saving Schemes, etc., under the chairmanship of Dr. H.R. Khan, Deputy Governor of the Reserve Bank of India. [20]

The Committee will: (i) estimate the amount lying unclaimed under various schemes with Post Offices and Public Sector Banks, (ii) determine the procedure to bring such unclaimed deposits to a common pool, and (ii) determine how this unclaimed amount can be used to protect and further financial interests of senior citizens.

The constitution of the Commission was announced in the Budget 2014-15. The Commission is to submit its report by December 31, 2014.

SEBI notifies regulations for Real Estate Investment Trusts and Infrastructure Investment Trusts

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The Securities and Exchange Board of India (SEBI) notified regulations for Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) on September 26, 2014.[21]

REITs are trusts which collect money from investors to invest in real estate projects. The revenue that is generated is distributed to their investors. Similarly, InvITs are trusts which invest in infrastructure projects.

Through these regulations, SEBI has specified the structure and size of these trusts, the responsibilities of the various parties involved, investment conditions and dividend policies.

More information on these trusts is available in the PRS Monthly Policy Reviews for the months of October 2013 and July 2014.

Environment

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High Level Committee to review five environmental laws

The Ministry of Environment, Forests and Climate Change has constituted a High Level Committee (Chair: Mr. T.S.R. Subramanian) to review five environmental laws.[22] These laws are:

- **Wild Life (Protection) Act, 1972**: The Act seeks to protect wildlife and control poaching and illegal trade in wildlife.
- **The Water (Prevention and Control of Pollution) Act, 1974**: The Act seeks to prevent and control water pollution and establishes Boards to do so.
- **Forest (Conservation) Act, 1980**: The Act provides for the conservation of forests and restricts activities in certain forests.
- **The Air (Prevention and Control of Pollution) Act, 1981**: The Act seeks to prevent and control water pollution and establishes Boards to do so.
- **Environment (Protection) Act, 1986**: The Act provides for the protection and improvement of the environment and gives the central government certain powers in order to do so.

The objectives of the Committee are to: (i) assess the status of the implementation of these laws, (ii) examine judicial pronouncements relating to these laws, and (iii) recommend specific amendments relating to these laws and draft the proposed amendments.

The Committee must submit its report by October 24, 2014.

MoEF proposes changes to environmental clearance norms for buildings and township projects

The Ministry of Environment, Forests and Climate Change has invited comments on draft amendments to the environmental clearance norms for buildings, construction projects, area development projects, and townships.[23] Suggestions on the draft notification have been invited by November 10, 2014.

The following changes have been proposed:

- **Types of projects covered and definition of built up area for building and construction projects**: At present, buildings and construction projects with a built up area between 20,000 sq m and 1,50,000 sq m require environmental clearance from the State Environment Impact Assessment Authority.[24] Built up area is defined as built up area for covered construction, and the activity area for uncovered areas.

  The draft notification: (i) proposes to change the definition of built up area to the built up or covered area on all floors including the basement or other service areas, and (ii) specifies the projects that will be covered. These include residential and commercial buildings, office blocks, etc.

- **Clearance from central EAC not required in some cases**: Certain infrastructure and manufacturing projects require clearance from the Expert Appraisal Committee of the central government in case they are wholly or partially located within 10 km of the boundary of a protected area, notified eco-sensitive areas, etc. The draft notification clarifies that this requirement *will not apply* to buildings, construction projects, townships, and area development projects.

Transport

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Draft Road Transport and Safety Bill, 2014 released

The Ministry of Road Transport and Highways released the draft Road Transport and Safety Bill, 2014 on September 13, 2014.[25] The Ministry is currently seeking comments on the draft Bill. The draft Bill proposes to replace the Motor Vehicle Act, 1988.

Key highlights of the draft Bill are as follows:

New regulatory authority

- Establishes the Motor Vehicle Regulation & Road Safety Authority of India, which will be an independent agency for vehicle regulation and road safety. This authority will replace the existing Regional Transport Offices.
- Establishes a National Road Transport & Multimodal Coordination Authority which will develop a National Road Transportation Plan.

New policy

- Introduces a Goods Transport & National Freight Policy for simplified permits and single portal clearances.
- Creates a Motor Accident Fund for immediate relief to accident victims.

Centralized database systems

- Creates a New Unified Driver Licensing System that will use a unified biometric system to avoid duplication of licenses.
- Establishes a New Unified Vehicle Registration System that puts manufacturers, owners, transport authorities, insurers, enforcement agencies all under one system.
- Introduces a Unified Road Accident and Offences System that uses a combination of penalty and fines to enforce traffic rules.

Penalties

- The penalties have been increased from those in the Motor Vehicles Act, 1988. For example, under the general provision for punishment of offences, fine for the first offence will be increased to Rs 2,500 from Rs 100 and to Rs 5,000 from Rs 300 for subsequent offences.

Amendment to Central Motor Vehicle draft Rules, 1989 for E-Rickshaws notified

The Ministry of Road Transport and Highways notified amendments to the Central Motor Vehicle draft Rules, 1989 on September 17, 2014.[26] The amendments seek to regulate E-Rickshaws and bring them under the ambit of the Motor Vehicle Act, 1988.

The new rules define an E-Rickshaw as a special purpose battery operated vehicle having three wheels and intended to provide last mile transport connectivity. It specifies matters such as:

- Number of passengers and the luggage allowed;
- Power, speed and dimensions of the E-Rickshaw;
- Form of driving licence and registration of the E-Rickshaw;
- Form and manner of display of registration marks on the E-Rickshaw.

Ministry of Road Transport and Highways empowered to amend Model Concession Agreement

The Cabinet Committee on Economic Affairs (CCEA) gave approval to the Ministry of Road Transport and Highways to: (i) amend the Model Concession Agreement (MCA) as may be required from time to time, and (ii) to decide the mode for execution of projects for National Highways (e.g. Build, Operate and Transfer; Engineering, Procurement and Construction).[27]

Earlier proposals for amendments to the MCA and the mode of delivery for projects had to be approved by the CCEA. This approval is expected to expedite the implementation of road infrastructure projects in the country.

Trade

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India notifies farm subsidies to WTO

India notified its farm subsidy numbers to the WTO on September 9, 2014 for the period of 2004-05 to 2010-11. The domestic support for the year 2010-11 was USD 56.1 billion, as per newspaper reports.[28]

In August 2014, India had taken a stand to refuse to join the consensus on the Trade Facilitation Agreement between the members of the WTO, since it wanted to simultaneously discuss the issue of public stockholding of food grains for the purpose of food security.[29]

The notification of the farm subsidies will address the complaints against India of not complying with the WTO notification requirements.[28]

Agriculture

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2014-15 Kharif crops production projected at 120.3 million tonnes, a decline of 6.9%

The expected production of major Kharif crops (from June to October) in 2014-15 is 120.27 million tonnes against the production of 129.24 million tonnes in 2013-14, a decline of 6.9%.[30,] Table 2 shows the change in expected production of Kharif crops from 2013-14.

Table 2: First Advance Estimates of production of major Kharif crops for 2014-15

Production (million tonnes)	2013-14**	2014-15	% change
Rice	91.7	88	-4.0
Pulses	6.0	5.2	-13.6
Coarse Cereals	31.5	27.1	-14.1
All foodgrains	129.2	120.27	-6.9
Oilseeds	22.4	19.66	-12.2
Sugarcane	350.0	342.79	-2.1
Cotton*	36.6	34.62	-5.4

* In million bales. Sources: Ministry of Agriculture; PRS.

**Foodgrains production data for 2013-14 is as of 19th September 2014, Actuals for 2013-14 not yet available.

The production is expected to be lower than last year because of the deficient and erratic rainfall in many parts of the country, which has lead to a decline in the area covered by Kharif crops.[30]

Estimates of Kharif crop sowing

The estimated sowing of Kharif crops is about 2.4% less than last year.[31] The acreage of cotton has had an 11% increase from last year, whereas oilseeds and coarse cereals saw a decline of 8% and 7% respectively. Table 3 shows a comparison of Kharif acreage for some of the major crops.

Table 3: Cropped areas of major Kharif crops (lakh hectares)

Crop	Area sown in 2013-14	Area sown in 2014-15	% Change
Rice	374.3	374.9	0.2
Pulses	108.1	101.1	-6.5
Coarse Cereals	196.1	182.3	-7.0
Oilseeds	193.2	177.6	-8.1
Sugarcane	50.3	48.8	-3.0
Cotton	114.4	126.6	10.7
Jute and Mesta	8.3	8.2	-1.2
Total	**1044.7**	**1019.3**	**-2.4**

Source: "Kharif Sowing Crosses 1019 Lakh Hectare Mark", Ministry of Agriculture, Press Information Bureau, September 29, 2014.

Deficit of 11% in rainfall of current season

According to the India Meteorological Department (IMD), the cumulative rainfall from June 1 to September 24, 2014 was 11% below the Normal Rainfall (average rainfall during the monsoon over the last 10 years).[32] The distribution of rainfall across regions is depicted in Table 4.

Table 4: Rainfall distribution for the season (June 1 – September 24)

Regions	Actual Rainfall (mm)	Normal Rainfall (mm)	% Departure from LPA
India	**763.2**	**858.8**	**-11.1**
Northwest India	478.6	601.2	-20.4
Central India	877.1	949.4	-7.6
South Peninsula	637.4	679.8	-6.2
East & northeast India	1226.5	1385.1	-11.5

Source: India Meteorological Department Weekly Press Release, September 26, 2014; PRS.

Water level and storage capacity in major reservoirs

According to data from the Central Water Commission, the total storage in 85 important reservoirs is 79% of the full reservoir level, at 123.26 Billion Cubic Meters [33]. The water level in the reservoirs is 93% of last year's storage. Water stored in reservoirs during the monsoon season is used to sow crops during the Rabi sowing season (from November to April).

Urban Development

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Cabinet approves Swachh Bharat Programme for Urban Areas

The Cabinet approved the 'Swachh Bharat Mission for Urban Areas' on September 24, 2014. [34] The programme is proposed to be implemented over a period of five years from October 2, 2014 onwards in 4,041 statutory towns. A statutory town is any place with a municipality, corporation, cantonment board or notified town area committee, etc. The total expected cost of the programme is Rs.62,009 crore, out of which the proposed central assistance will be Rs.14,623 crore.

The Programme will provide for the following:

- Individual household toilets,
- Community and public toilets, and
- Municipal Solid Waste Management.

The programme will be monitored by a National Advisory and Review Committee, headed by the Secretary, Ministry of Urban Development. The Committee will also comprise of representatives of the Ministry of Finance and other concerned ministries and will release funds for the programme. A High Powered Committee headed by the Chief Secretary at the State level will steer the programme.

Government announces new scheme for uplift of urban, rural poor

The central government announced the 'Deen Dayal Antyodaya Yojana (DAY)' on September 25, 2014. [35] The scheme is for the urban and rural poor and proposes to increase their livelihood opportunities through skill development.

The new scheme will cover all 4,041 statutory towns as compared to the previous schemes that covered only 790 cities. An amount of Rs.1,000 crore has been provisioned for the urban component of DAY during 2014-15. Out of this, Rs.500 crore will be spent on skill development of over 5,00,000 urban poor.

The urban component of the scheme will focus on the following:

- Imparting skills with an expenditure of Rs.15,000 to Rs.18,000 per person;
- Promotion of self-employment through setting up individual micro-enterprises and group enterprises with interest subsidies;
- Training urban poor by imparting market oriented skills through City Livelihood Centres;
- Enabling urban poor form Self-Help Groups for meeting financial and social needs with a support of Rs. 10,000/- per each group;
- Development of vendor markets; and
- Construction of permanent shelters for urban homeless and provision of other essential services.

External Affairs

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State Visits to Japan, United States and State Visits from Australia and China

The Prime Minister visited Japan and United States, while the Australian Prime Minister and the Chinese President visited India in September. Details of these visits are given below:

Japan: Prime Minister Narendra Modi visited Japan from August 30 to September 3, 2014. Japan promised $35 billion investment in India over five years. MoUs and other agreements were signed with regard to: (i) cooperation in defence, (ii) partnership between Varanasi and Kyoto, (iii) loan for a coal-fired power plant in Uttar Pradesh, (iv) new and renewable energy, (v) infrastructure development, (vi) healthcare, (vii) transport, and (viii) cooperation in humanities and social sciences research.[36,37]

United States, and the UNGA session: Prime Minister Narendra Modi visited the United States from September 26-30, 2014.[38] He attended the 69th session of the United Nations General

Assembly in New York, and made a statement before the General Assembly.[39] He also conducted bilateral meetings with the Secretary General of the United Nations, Ban Ki-Moon, Prime Minister of Nepal, Sushil Koirala, Prime Minister of Bangladesh, Sheikh Hasina, President of Sri Lanka, Mahinda Rajapaksa, and Prime Minister of Israel, Benyamin Netanyahu during the visit. He concluded the visit with a meeting with the President of the United States, Barack Obama.[40]

Australia: Prime Minister of Australia, Tony Abbott, visited India from September 4-5, 2014. An agreement on nuclear energy was signed between the two countries which allows for supply of uranium from Australia, among other things. Three other MoUs were concluded during the visit on cooperation in sports, water resources management, and technical and vocational education/ training.[41, 42]

China: Chinese President, Xi Jinping, visited India from September 17-19, 2014. During this visit, China promised $20 billion investment in India in the next five years. The establishment of two Chinese industrial parks, one each in Gujarat and Maharashtra, was also announced. MoUs and agreements were signed regarding bilateral economic engagement in the next five years, cooperation in railways, exchanges among cultural institutions like museums, joint production of films, and provincial (Gujarat-Guangdong) and city-to city (Mumbai-Shanghai, Ahmedabad-Guangzhou) partnerships.[43]

Health

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Cabinet approves the National AYUSH Mission

On September 15, 2014 the Cabinet approved the launch of the National AYUSH Mission.[44] The proposed Mission seeks to support the state and union territory governments in providing AYUSH health services. The mission will provide a higher allocation of resources for vulnerable and far flung areas.

The core objectives of the mission are:

- Improvement of AYUSH education by increasing the number of educational institutions;
- Better access to AYUSH services through increase in number of AYUSH hospitals, dispensaries, availability of drugs and human resources;
- Improving availability of quality ayurvedic, siddha, unani and homeopathy drugs through increase in the number of pharmacies and drug laboratories.

Women and Child Development

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Draft guidelines governing adoption of children released

The Ministry of Women and Child Development released draft guidelines governing adoption of children on September 4, 2014.[45]

These guidelines seek to replace the Guidelines Governing Adoption of Children, 2011 that are currently in place. The Ministry states that the guidelines need to be replaced due to the slow progress in the number of adoptions in the country, unusual delays in processes, restrictive inter-country adoptions, etc.

Key features of the draft guidelines include:

- **Eligibility:** Eligibility criteria for Prospective Adoptive Parents (PAPs) have also been specified, such as: (i) the PAPs should be physically and financially capable and motivated to adopt a child (not included under the existing guidelines), (ii) any PAP can adopt a child, irrespective of their marital status, but a single male cannot adopt a girl child, and (iii) under the existing guidelines couples in live-in relationships cannot adopt (no such provision exists in the new guidelines).
- **Procedures relating to children for adoption:** Any orphan, abandoned or surrendered child declared legally free for adoption by the Child Welfare Committee, is eligible for adoption. The guidelines specify different procedures for adoption of orphan or abandoned children, and surrendered children. The role and procedures for registration of specialised adoption agencies are also specified.
- **Adoption procedure for Indians (resident and non-resident):** The specialised adoption agencies will prepare a home study

report based on which the PAPs shall be declared eligible or not. Non-Resident Indian PAPs will also be treated at par with Indians living in India in terms of priority for adoption.

- **Procedure for inter-country adoption:** A child can only be available for inter-country adoption if he cannot be placed with an Indian or Non Resident Indian. As per the existing guidelines, inter-country adoption can only be done by citizens or residents of those countries that have ratified the Hague Convention on Inter-Country Adoption, 1993.

Home Affairs

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Task force for expediting and monitoring the citizenship and visa application process constituted

Ministry of Home Affairs approved constitution of a Task Force to monitor and expedite processing of applications for citizenship and long term visas on September 5, 2014.[46]

The Task Force is mandated to: (i) complete processing of applications with complete documentation within two months; (ii) follow up in cases which are pending before state governments; (iii) monitor applications filed online, and track their progress; and (iv) coordinate long term visa related matters.

Mining

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Government notifies new rates of royalty and dead rent for certain minerals

The government notified the revised rates of royalty and dead rent on major minerals (except coal, lignite and sand) on September 1, 2014.[47] A mine leaseholder has to pay a royalty linked to the mineral production. If no production is being carried out, the leaseholder has to pay a dead rent linked to the area of the lease. The central government can revise the rates of royalty and dead rent for major minerals every three years. The last revision happened in 2009.[48]

The following table highlights the new and old rates of royalty for select minerals:

Table 4: Royalty rates for select minerals

Mineral	Major users	New rate	Old rate
Rock Phosphate	Fertiliser, Chemicals	6.0-12.5%	6.0-11.0%
Bauxite and Laterite * #	Aluminium production	0.60%	0.50%
Chromite	Ferro-alloys, Refractory	15.00%	10.00%
Copper ore #	Copper production	4.62%	4.20%
Dolomite (Rs/tonne)	Iron & steel, Cement, Glass/Ceramic, Paint	75	63
Gold ore #	Gold production	3.3-4.0%	2.0-3.3%
Graphite	Refractory/crucible, Battery, Iron & steel	Rs 25-225/tonne	2.0-12.0%
Iron ore	Iron & steel, Cement	15.00%	10.00%
Lead ore #	Lead production	8.5-14.5%	7.0-12.7%
Limestone (Rs/tonne)	Cement, Iron & steel, Chemicals, Fertiliser	80-90	63-72
Manganese ore	Manganese alloys, Iron & steel, Battery	5.00%	4.20%
Zinc ore #	Zinc production	9.5-10.0%	8.0-8.4%

Note: Royalty rates expressed as percentage of sales price unless indicated otherwise; * For aluminium production within India only; # Royalty is based on London Metal Exchange or London Bullion Market benchmark prices; Sources: Ministry of Mines; Indian Bureau of Mines; PRS.

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