

# Monthly Policy Review

## November 2015

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### Highlights of this Issue

#### **GDP grows at 7.4% in the second quarter of 2015-16 (p. 2)**

Gross Value Added of goods and services grew at 7.4% in this quarter. Growth in the agricultural and manufacturing sectors increased from the first quarter of 2015-16; growth in the construction sector declined.

#### **Seventh Central Pay Commission submits its report (p. 3)**

The Commission recommended an increase in expenditure on remuneration by 23.55%. It has also devised a pay matrix for computation of salaries, and proposed a method to bring parity between old and new pensioners.

#### **Government issues notification on OROP (p. 4)**

The notification is regarding implementation of the One Rank One Pension (OROP) scheme. It clarifies that while OROP will not cover those who voluntarily retire, this exclusion would only apply prospectively.

#### **Bankruptcy Law Reforms Committee submits the draft Bankruptcy Bill (p. 3)**

The draft Bill seeks to establish a regulator to oversee resolution of bankruptcy in the country. It also defines the process for the resolution of insolvency, and sets a timeframe for the exercise.

#### **Ujwal Discom Assurance Yojna (UDAY) Scheme launched (p. 4)**

The scheme seeks to improve the operational and financial efficiency of state owned distribution companies (discom). For this purpose, states will take over discom debts and issue bonds in the market.

#### **Sub-Group of Chief Ministers on Rationalisation of CSS submits report (p. 5)**

The Sub-Group was constituted by the Prime Minister in March 2015. Recommendations include classifying CSS into core and optional schemes, and consolidating the existing 66 CSS under 29 umbrella programmes/ministries.

#### **Government reviews Foreign Direct Investment Policy (p. 6)**

Investment norms related to several sectors such construction, defence, and single brand retail, were relaxed. The threshold of FDI over which government permission is required was raised from Rs 2,000 crore to Rs 5,000 crore.

#### **Ministry of Urban Development firms criteria for Smart City challenge competition (p. 7)**

The Smart City Plans will be evaluated on the following criteria: (i) city-level criteria (30% weightage), (ii) area based development features (50%), and (iii) pan-city solutions (15%).

#### **Ministry of Health and Family Welfare issues instructions related to surrogacy (p. 10)**

Under the instructions, foreign nationals and Overseas Citizen of India will not be permitted to commission surrogacy in the country. In addition, the import of human embryo is also prohibited.

#### **Ministry of Urban Development approves plans for 183 cities under AMRUT scheme (p.8)**

The 10 states consisting of these 183 cities will invest Rs 8,868 crore in 2015-16, to enhance basic infrastructure including water supply and sewerage connections.

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December 1, 2015

## Parliament

Tanvi Deshpande (tanvi@prsindia.org)

### Winter session of Parliament begins

The Winter session of Parliament began on November 26, 2015, and is scheduled to end on December 23, 2015.<sup>1</sup> The legislative agenda for the session includes 19 pending Bills which are listed for consideration and passing, including the Constitution Amendment Bill enabling GST, the Real Estate Bill, the Electricity (Amendment) Bill, the Anti-Hijacking Bill, 2014, the Prevention of Corruption (Amendment) Bill, the Whistle Blowers Protection (Amendment) Bill, and the Juvenile Justice Bill.

14 new Bills are listed for introduction during this session, including the Arbitration and Conciliation Bill, which replaces an Ordinance (which is also listed for consideration and passing), the Agricultural Bio-Security Bill, the Drugs and Cosmetics (Amendment) Bill, the Nuclear Safety Regulatory Authority Bill, and the Indian Institute of Management Bill.

In addition, Committee reports on some Bills are expected in this session. These include the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (Second Amendment) Bill, 2015, the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Bill, 2015, and the Benami Transactions (Prohibition) (Amendment) Bill, 2015.

For more details on the legislative agenda of this session, please see the PRS session alert [here](#).

## Macroeconomic Developments

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### GDP grows at 7.4% in the second quarter of 2015-16

The Gross Domestic Product (GDP) of the country grew at 7.4% in the second quarter (July to September) of 2015-16, as compared to 7.0% in the first quarter of 2015-16.<sup>2</sup> Gross Value Added (GVA) at basic prices (GDP without taxes and subsidies) grew at 7.4% this quarter, as compared to 7.1% in the previous quarter (April to June) of 2014-15. Table 1 looks at the growth in GVA across sectors over Q2 of 2015-16.

Agricultural growth has improved from 1.9% (year-on-year) in the first quarter of 2015-16, to 2.2% in the second quarter of 2015-16. Growth in manufacturing and utility services has also increased, whereas growth in the construction sector has dipped from 6.9% to 2.6% over this period. Growth in services has remained stable, going from 8.9% to 8.8% from Q1 to Q2.

**Table 1: Gross Value Added in sectors in Q2 of 2015-16 (%)**

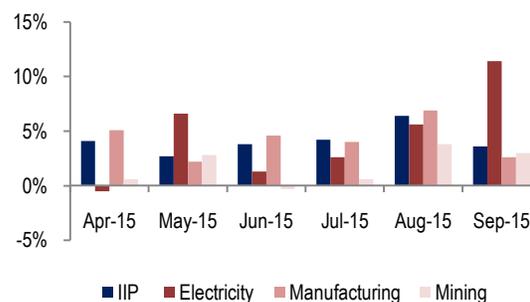
Sector	Q2	Q1	Q2
	2014-15	2015-16	2015-16
Agriculture, forestry and fishing	2.6	1.9	2.2
Mining and quarrying	4.3	4.0	3.2
Manufacturing	8.4	7.2	9.3
Electricity, gas, water supply and other utility services	10.1	3.2	6.7
Construction	6.5	6.9	2.6
Services	10.4	8.9	8.8
<b>GVA</b>	<b>8.4</b>	<b>7.1</b>	<b>7.4</b>

Note: GVA growth is at the 2011-12 prices.  
Sources: MOSPI; PRS.

### Industrial production grows at 4.6% in the second quarter of 2015-16

Index of Industrial Production (IIP) in the country increased by 4.6% in the second quarter (July-September) of 2015-16, year on year.<sup>3</sup> Manufacturing production increased by 4.6%, electricity by 6.8% and mining by 2.7% in this period. The growth in electricity production, in particular, has been volatile in this year, going from -0.5% in April to 1.3% in June, and then rising to 11.4% in September 2015. IIP has had an overall growth of 4% over the first two quarters of 2015-16. Figure 1 shows the trend in IIP over the first two quarters of 2015-16.

**Figure 1: Trend in Industrial production in Q2 of 2015-16**



Sources: MOSPI; PRS.

## Finance

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### Seventh Central Pay Commission submits its report

The Seventh Central Pay Commission (Chair: Justice A.K. Mathur) submitted its report on November 19, 2015.<sup>4</sup> The Commission was constituted to recommend changes to pay, allowances and other benefits received by central government employees.

Key recommendations of the Commission are:

- **Pay:** Overall increase in expenditure on remuneration is expected to be 23.55%. The expenses on pay will increase by 16%, allowances by 63% and pension by 24%.<sup>5</sup>
- The existing structure of pay bands and grade pay should be replaced by a pay matrix. The matrix takes into account the hierarchy level of the employee and his pay progression over the course of employment. The new structure has been proposed to bring in more transparency and uniformity in pay progression.
- The pay matrix should be reviewed periodically. This may be done by taking into consideration fluctuations in commodity prices, constituting a common man's basket.
- The minimum salary should be increased from Rs 7,000/month to Rs 18,000/month.
- **Allowances:** An adjustment in the House Rent Allowance (HRA) rate has been proposed. Further, the HRA will be increased every time the Dearness Allowance (DA) goes up by 50% and 100%.
- The ceiling on gratuity has been raised from Rs 10 lakh to Rs 20 lakh. This ceiling will go up by 25% every time the DA increases by 50%.
- **Pension:** A new methodology for calculating pension for pensioners, who have retired before January 1, 2016, has been proposed. This has been aimed at bringing parity between old and new pensioners. Two methods of calculation have been prescribed, and the pensioner may opt for either one.
- **Other recommendations:** Performance related pay (PRP) for all employees has

been proposed. This will be based on an annual performance appraisal. Further, a merger of existing bonus schemes with the PRP has been recommended.

- Pay increments provided to Indian Administrative Service and Indian Foreign Service officers, at the time of promotion, should be extended to Indian Police Service and Indian Forest Service officers.

The proposed date for implementation of these recommendations is January 1, 2016.

For a PRS summary of the Pay Commission's report, please see [here](#).

### Bankruptcy Law Reforms Committee submits its report and the draft Insolvency and Bankruptcy Bill

The Bankruptcy Law Reforms Committee (Chair: Dr T. K. Vishwanathan) submitted its report and the draft Insolvency and Bankruptcy Bill, 2015 on November 4, 2015.<sup>6,7</sup> The Committee was constituted to examine the resolution process of bankruptcy cases in India, and make recommendations to reduce resolution time and costs.

Insolvency is a situation where individuals or organisations are unable to meet their financial obligations. If insolvency resolution fails, the individual or company is considered bankrupt. Presently, multiple laws govern insolvency resolution in India. The draft Bill seeks to consolidate the existing framework by repealing the Presidency Towns Insolvency Act, 1909 and the Provincial Insolvency Act, 1920. In addition, it proposes to amend six laws: (i) Companies Act, 2013, (ii) Sick Industrial Companies (Special Provisions) Repeal Act, 2013, (iii) Limited Liability Partnership Act, 2008, (iv) Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, (v) Recovery of Debts Due to Banks and Financial Institutions Act, 1993 and (vi) Indian Partnership Act, 1932.

The draft Bill covers insolvency of individuals, partnerships and companies. It will not be applicable to financial firms such as banks.

Key features of the draft Bill include:

- **Insolvency regulator:** The draft Bill seeks to establish the Insolvency and Bankruptcy Board of India, to oversee insolvency resolution in the country. The Board will have nine members, including

representatives from the central government and the Reserve Bank of India.

- **Insolvency professionals:** The insolvency resolution process will be managed by a licensed professional. This professional will also control the assets of the debtor during the process.
- **Insolvency Resolution:** The draft Bill outlines separate insolvency resolution processes for individuals and companies. The process may be initiated by either the debtor or the creditors. A maximum time limit, for completion of the insolvency resolution process, has been set at 180 days.
- **Bankruptcy and Insolvency Adjudicator:** The draft Bill proposes two separate tribunals to adjudicate complaints of bankruptcy, for individuals and companies: (i) the National Company Law Tribunal for companies and limited liability partnerships firms; and (ii) the Debt Recovery Tribunal for individuals and partnerships.

For a PRS Report Summary, please see [here](#).

### RBI grants approval to National Payments Corporation, to act as Bharat Bill Payment System Central Unit

RBI granted its approval to the National Payments Corporation of India, to function as the Bharat Bill Payment Central Unit (BBPCU), on November 24, 2015.<sup>8</sup> The BBPCU will be the single authorized entity, operating the Bharat Bill Payment System.

The system will offer online, as well as on ground bill payment services to customers. These services will include payment of utility bills such as electricity, gas and water for now. This will be extended to other types of repetitive payments such as school or university fees and municipal taxes.

## Defence

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### Government issues notification on One Rank One Pension

The Ministry of Defence issued a notification regarding its decision to implement One Rank One Pension (OROP) for ex-servicemen on November 7, 2015.<sup>9</sup> OROP guarantees that

uniform pension will be paid to armed forces personnel retiring at the same rank with the same length of service, irrespective of their date of retirement. Future increases in pension will be automatically passed on to existing pensioners under OROP.

In September 2015, the Defence Minister, Mr. Manohar Parrikar, had announced the implementation of the OROP. In the announcement, it was stated that OROP will not cover those who retire voluntarily. The notification clarifies that this exclusion will be effective prospectively.

For more details, please see [here](#).

## Energy

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### Ujwal Discom Assurance Yojna Scheme launched

The Ministry of Power launched the Ujwal Discom Assurance Yojna (UDAY) scheme on November 20, 2015.<sup>10</sup> This scheme seeks to improve the operational and financial efficiency of state owned distribution companies (discoms). However, it will be optional for states. The accumulated losses of state-owned discoms (after adjusting for subsidies received from state governments) rose to Rs 71,271 crore in 2013-14 from Rs 11,699 crore in 2004-05.<sup>11</sup> Correspondingly, borrowings by state discoms rose to Rs 4,59,145 crore in 2013-14 from Rs 1,06,509 crore in 2004-05.<sup>11</sup>

Key features of the scheme include:

- **Financial restructuring:** Under the scheme, states will be required to take over 75% of the discoms' debt (as on September 30, 2015) over two years (50% in the first year and 25% in the second year). For this purpose, states with the discom debt will issue bonds in the market. The principal debt will not be counted in the fiscal deficit of states for the first two years. For 2015-16 and 2016-17, the transfer to the discom by the state will be in the form of a grant.
- **Future losses:** Under the scheme, states shall take over the future losses of discoms in a graded manner. Henceforth, banks will not be allowed to advance short term debts to discoms for financing their losses.

- **Targets:** Discoms will be required to meet certain outcome targets. These targets include (i) reduction of aggregate technical and commercial (AT&C) losses to 15% in 2018-19, and (ii) eliminating the gap between average cost and tariff by 2018-19. AT&C loss is the percentage of power procured by the discom for which it did not receive any payment.
- **Benefits:** States that accept the scheme may receive additional benefits from the central government. These benefits will include: (i) additional or priority funding through certain schemes, and (ii) supply of additional coal at notified prices, and (iii) procurement of low cost power. States not meeting the targets will not be able to claim the provided grant.

### Comments invited on the draft Policy and guidelines on Geo-Thermal Energy

The Ministry of New and Renewable Energy released the Draft National Policy on Geo-Thermal Energy and Draft Guidelines for Development of Geo-Thermal Energy in India on November 24, 2015.<sup>12</sup> Comments are invited on the same until December 10, 2015. The draft Policy seeks to address the long term energy supply requirements of the country, by developing the geo-thermal energy sector.

Key features of the draft Policy include:

- **Geo-Thermal energy:** The draft Policy provides for the use of geo-thermal energy (heat stored in the earth's crust). These include (i) using geo-thermal for the generation of electricity, and (ii) directly using geothermal energy for the purpose of heating and cooling of domestic and commercial buildings.
- **Support:** Various support measures for projects in the geo-thermal energy sector include: (i) providing land on lease for these projects, (ii) providing 100 % foreign direct investment in the renewable energy sector, and (iii) soft loans at concessional interest rates for supporting exploration activities.
- **Role of state governments:** State governments will carry out various functions for the implementation of the draft policy. These include: (i) designating an existing state agency for the development of geothermal sector in states, (ii) facilitating transfer of power generated from

geothermal sources, and (ii) facilitating land acquisition in states.

The Ministry has also issued guidelines for the implementation of the draft Policy such as: (i) criteria for the evaluation of proposal of projects, and for exploration activities, (ii) mechanism for the sale and sharing of generated power, and (iii) incentives for public private partnership in the sector by means including import subsidies and different tax benefits.

## Centrally Sponsored Schemes

### Sub-Group on Rationalisation of CSS submits report

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The Sub-Group of Chief Ministers on Rationalisation of Centrally Sponsored Schemes (CSS) under NITI Aayog submitted its report in October 2015.<sup>13</sup> The Sub-Group was constituted by the Prime Minister in March 2015, and was composed of the Chief Ministers of Arunachal Pradesh, Jammu and Kashmir, Jharkhand, Kerala, Madhya Pradesh, Manipur, Nagaland, Rajasthan, Telangana, Uttar Pradesh, the Lt. Governor of Andaman and Nicobar Islands, and the Chief Executive Officer of NITI Aayog.

Terms of Reference of the Sub-Group included: (i) examining existing CSS and recommending measures to ensure their flexible implementation, and (ii) suggesting reforms in the schemes which have been continued as CSS in the 2015-16 Budget, in light of the 14<sup>th</sup> Finance Commission recommendations. Key observations and recommendations of the Sub-Group include:

- **Core and optional schemes:** The existing CSS should be divided into core schemes and optional schemes. NITI Aayog would allocate central funds for core schemes. For optional schemes, the Ministry of Finance will allocate funds to states as a lump sum. States would be free to choose the optional schemes which they wish to implement.
- **Fund sharing pattern:** Schemes for social protection and social inclusion should form the 'core of the core' schemes. The fund sharing pattern between the centre and states for these schemes will remain unchanged. The following fund sharing pattern is proposed for all other schemes:

**Table 2: Proposed funding pattern for CSS (ratio of centre: states funding)**

States	Core schemes	Optional schemes
North Eastern states	90:10	80:20
Himalayan states	90:10	80:20
All other states	60:40	50:50
Union territories	Funded entirely by centre	Funded entirely by centre

Sources: Report on Rationalisation of CSS; PRS.

Note: North Eastern states include Arunachal Pradesh, Assam, Meghalaya, Manipur, Mizoram, Nagaland, Sikkim, and Tripura. Himalayan states Himachal Pradesh, Jammu and Kashmir, and Uttarakhand.

- **Allocation of funds:** There will be transparent criteria for allocation of funds to states for core and optional schemes. These criteria will be evolved by the NITI Aayog in consultation with the relevant central and state ministries.
- **Monitoring of CSS:** NITI Aayog would have joint jurisdiction in the monitoring of CSS in central and state ministries. A Standing Committee should be constituted under the chairmanship of the CEO of NITI Aayog. Each state or union territory will nominate a senior government officer to this Committee.
- **Flexi-funds:** 25% of the allocation to any scheme in the case of states, and 30% in the case of UTs, should be a flexi-fund. This fund would be spent according to guidelines issued by the Ministry of Finance.
- **Existing projects:** All projects which were started in 2014-15 and for which funds were awarded until March 31, 2015 will continue under the existing funding pattern until March 2017. Schemes which have been delinked from central support will then be discontinued.

Details of the proposed restructuring of schemes can be found in the [Annexure](#).

## Industry

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### Government revises Foreign Direct Investment Policy on various sectors

Ministry of Commerce and Industry has revised the limits on Foreign Direct Investment (FDI) in

various sectors on November 24, 2015. These revisions were made as amendments to the National FDI Policy.<sup>14</sup>

Key norms revised in the FDI policy include:

- Investments in certain sectors require approval of government. Currently, the Cabinet Committee on Economic Affairs has to approve the investment if the investment amount is greater than Rs 2,000 crore. This limit is raised to Rs 5,000 crore.
- **Agriculture:** FDI up to 100% will be allowed in coffee, rubber, cardamom, palm oil and olive oil tree plantations.
- **Defence:** FDI in the defence industry will require the permission of the government if the investment is greater than 49% of the equity of the company. Earlier, FDI in defence required permission of the government for any amount of investment.
- **Broadcasting:** FDI is allowed to a maximum of 100% of the capital of a company, an increase from 74% in the past.
- **Civil aviation:** FDI is allowed up to 100% in non-scheduled air transport services such as chartered air transport. Initially, this limit was 74% of the equity of a company.
- **Limited liability partnerships:** Permission required for investors to invest in limited liability partnerships (LLPs) is waived.
- In addition, FDI norms have also been relaxed by increasing the investment limits of the following sectors: satellite establishment, construction development projects, duty free shops, etc.

### Technology Acquisition and Development Fund launched to financially aid MSMEs

The Technology Acquisition and Development Fund was launched by the Minister of State for Commerce and Industry, Ms. Nirmala Sitharaman, on November 19, 2015.<sup>15</sup>

The Fund has been introduced under the National Manufacturing Policy (adopted in November 2011). One of the key objectives of the National Manufacturing Policy is to aid small and medium enterprises (SMEs) in acquiring energy efficient and environmentally clean technologies.<sup>16</sup> The Fund aims to facilitate acquisition such technologies by SMEs.

Some of the key features of the scheme include:

- Financial support will be provided to manufacturers for transfer of technology. Transfer of technology refers to the spread of technology by applying technology from one industry to the other. Financial support includes reimbursement of 50% of the costs of acquisition with a cap of Rs 20 lakh.
- Financial support will be provided in acquiring patents from across the globe for MSMEs. Such financial support includes bearing the costs of 50% of the acquisition costs, or Rs 20 lakh, whichever is lesser.
- Subsidies will be provided for manufacturing equipment used for controlling pollution, reducing energy consumption, etc.
- Resource conservation activities, such as promotion of green buildings and energy audits, will be facilitated in government's investment zones such as National Investment and Manufacturing Zones.

### Government sells 10% stake in Coal India

The Cabinet Committee on Economic Affairs approved the sale of 10% of the government's stake in Coal India Limited on November 18, 2015.<sup>17</sup> Currently, the central government owns 78.65% of stake in Coal India. After this sale, the government's stake in Coal India Limited will come down to 68.65% of its equity capital. The government sold 10% stake in Coal India earlier in January 2015.<sup>18</sup>

### Government provides tax incentives for shipbuilding industry

The central government has provided indirect tax incentives to the shipbuilding industry on November 24, 2015.<sup>19</sup> Under these incentives, the purchase of raw materials and parts used in the manufacturing of ships will be exempted from customs and central excise duties.

Currently, indirect tax incentives available to the ship building industry include: (i) exemptions from basic custom duty and central excise duties on all raw materials and parts used for manufacturing of ships, and (ii) exemption from central excise duty on domestically procured steel for manufacturing of ships. In both cases, the ships must be manufactured in warehouses allowed under the Customs Act, 1962.

Therefore, ships manufactured in Export Oriented Units (EOUs) and cleared to the domestic tariff area are not eligible for the above mentioned exemptions. EOUs are special manufacturing zones similar to special economic zones (SEZs). Domestic tariff area is an area outside a SEZ or EOU. The proposed exemptions will allow these ships to be avail of these exemptions.

Further, the provision of the Customs Act, 1962 (Section 65) which allows only ships built in certain warehouses in order to be eligible for these tax exemptions will be removed. Instead, these exemptions will now be subject to actual user conditions.

## Urban Development

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### Ministry of Urban Development firms up selection criteria for Smart City challenge competition

The Ministry of Urban Development has firmed up the selection criteria for the second round of the Smart City challenge.<sup>20</sup> 98 cities were selected in the [first round](#) of the competition in August 2015. These cities will submit their Smart City Plans to the Ministry by December 15, 2015. Out of these 98 cities, 20 will be selected in the second round.

The Smart City Plans will be evaluated on the following criteria: (i) city-level criteria (30% weightage), (ii) area based development features (50%), and (iii) pan-city solutions (15%).

City-level criteria includes (i) measures taken in the last three years to enhance the living condition and administration of cities, (ii) quality of the strategic plan, (iii) identification of gaps, and (iv) the potential for improvement.

Area development and pan-city proposals include (i) the doability of proposals, (ii) the impact of smart city proposals on governance, (iii) spatial impact (higher density and mixed land use), (iv) economic impact (new commercial spaces for economic activity), (v) social impact (improved public spaces), and (vi) environmental impact.

Table 3 shows the parameters on which each criterion will be evaluated:

**Table 3: Parameters for evaluation**

Parameters	Marks (out of 100)
Implementation framework (includes feasibility and cost effectiveness)	30
Result orientation	20
Citizen consultation for identifying objectives	16
Smartness of solutions	10
Adoption of SWOT analysis for preparation of strategic plan	10
City vision and goals	5
Quality of city profiling including identification of Key Performance Indicators (KPIs)	5
Processes followed	4

Sources: Press Information Bureau, Ministry of Urban Development; PRS.

### Ministry of Urban Development approves plans for 183 cities under AMRUT Mission

The Ministry of Urban Development has approved the State Annual Action Plan (SAAP) of 10 states under the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) Mission.<sup>21,22</sup> The 10 states are Tamil Nadu, Madhya Pradesh, Jharkhand, Odisha, Mizoram, Haryana, Chattisgarh, Telangana, Kerala and West Bengal and include 183 Mission cities.

About half of the urban households in the Mission cities do not have water supply and sewerage connections. The Mission seeks to ensure coverage of all urban households with water supply and sewerage connections besides ensuring water supply at 135 litres per capita per day on priority.

Each AMRUT city prepares Service Level Improvement Plans (SLIP) after a detailed analysis of gaps in basic infrastructure. Each state then prepares its SAAP by integrating the SLIPs of all AMRUT cities in the state.

Under the Mission, these five states will invest Rs 8,868 crore in 2015-16, to enhance basic infrastructure including water supply and sewerage connections. The central government will invest up to Rs 2,440 crore while state governments and urban local bodies will contribute the rest. Table 4 shows the approved financial outlay.

**Table 4: Approved financial outlay**

Amenities	Number of cities	Financial outlay (in Rs crore)
Household water supply connections and enhancing water supply	111	6,676
Providing sewerage connections	58	1,628
Storm water drainage	23	198
Urban transport	31	141
Parks and green spaces	183	185

Sources: Press Information Bureau, Ministry of Urban Development; PRS.

The Ministry of Urban Development had earlier approved investment of Rs 2,786 crore for the SAAP for 2015-16 for the states of Gujarat, Rajasthan and Andhra Pradesh.

## Transport

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### Ministry of Shipping releases draft Major Port Authorities Bill, 2015

The Ministry of Shipping released a draft Major Port Authorities Bill, 2015 on November 17, 2015.<sup>23</sup> The draft Bill seeks to provide for the constitution of port authorities for the regulation, and planning of major ports in India. These authorities will also be vested with the administration, control and management of the ports. Currently, major ports in the country are regulated by the Major Port Trust Act, 1963. The proposed Bill seeks to repeal the 1963 Act.

Key features of the draft Bill include:

- **Port Authority Board:** Each Port Authority of a major port will be operated and regulated by a Board. The Board will consist of nine members, including (i) a chairman, (ii) four heads of departments of the port, (iii) a government nominee member, (iv) a labour nominee member, and (v) two or four independent members. The draft Bill further states the manner of appointment, disqualification, term of office, duties, and removal of these members.
- **Committees:** The Board may appoint committees from among its own members or other non-members (from outside). It may delegate some of its functions, powers or duties to these committees.

- **Property and contracts:** The Port Authority of each port can use its property and assets for purposes it may deem fit for the major port. The Board will make Rules for the use and development of all port assets, as approved by the central government.
- **Management restructuring:** The Port Authority of each major port, operating as a Trust, may become a company. This will be subject to approval of the central government and passage of a special resolution by the Board. Further, in such a situation, the Board may raise additional capital through the sale or disinvestment of holdings in the Port Authority.
- **Financial powers:** The Board will frame the scale of rates for assets and services available at the major port. The Board may raise loans to meet capital or working expenditure. Loans above 50% of the capital reserves of the Port Authority will require approval of the central government.

### Ministry of Shipping to remove obsolete Rules under Merchant Shipping Act, 1958

The Ministry of Shipping has decided to remove 13 Rules under the Merchant Shipping Act, 1958 on November 18, 2015.<sup>24</sup> According to the Ministry, these Rules are being removed since it has found them to be unnecessary and obsolete.

Rules being removed include: (i) the Merchant Shipping (Distressed Seamen) Rules, 1960, (ii) the Merchant Shipping (Rates) Rules, 1970, and (iii) the Merchant Shipping (Safety Convention Certificates) Rules, 1975, etc.

### CCI fines some private airlines for colluding on fuel surcharge costs

The Competition Commission of India (CCI) has imposed penalties worth Rs258crore on airline companies Jet Airways, IndiGo and SpiceJet for colluding on fuel surcharge costs (FSC).<sup>25</sup> In 2013, the Express Industry Council of India (EICI) had filed a case against Jet Airways, IndiGo, SpiceJet, Air India, and Go Airlines alleging contravention of the provisions of section 3 of the Competition Act, 2002. EICI is an industry body that represents the interests of express air cargo/courier companies.

In its Order dated November 17, 2015, CCI noted that FSC is a predictable amount and the

revenue on account of FSC can be easily forecasted with a fair degree of accuracy. Fluctuation in air turbine fuel (ATF) price is the main factor considered for determining FSC by all the airlines. Other factors include USD exchange rates, operating costs, etc. However, none of the airlines had prepared any costing studies for determination of FSC rates. Further, there were instances where FSC was increased despite a decrease in ATF price and US exchange rates.

CCI noted that whenever the FSC of one airline went up it was followed by the rest of the airlines simultaneously on several occasions. It concluded that the airlines acted in parallel by colluding with each other.

CCI has directed these airlines to cease and desist from indulging in anti-competitive practices. It has further imposed a penalty on Jet Airways, IndiGo and SpiceJet at the rate of 1% of their average turnover of the last three financial years based on the financial statements filed by them. This is equivalent to a fine of Rs 151.69 crore for Jet Airways, Rs 63.74 crore for IndiGo, and Rs 42.48 crore for SpiceJet. The airlines have to submit this amount within 60 days of receipt of the Order.

Air India was not penalized as its FSC rates were found changing consistently with ATF rates. GoAir was also not penalized because it never operated directly as cargo carrier and had assigned the business of transporting cargo to cargo agents.

## Infrastructure

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### Kelkar Committee on revitalizing the PPP model of infrastructure development submits report

The Committee on Revisiting & Revitalizing the PPP model of Infrastructure Development (Chair: Dr. Vijay Kelkar) submitted its report to the Finance Minister on November 19, 2015.<sup>26</sup> The Committee was formed after the Finance Minister announced revising the PPP mode of infrastructure development in his budget speech 2015-16. The report is not available in the public domain yet.

The terms of reference of the Committee included:

- Reviewing the experience of PPP policy, including the variations in contracts and the difficulties experienced with conditions;
- Analyzing the risks involved in PPP projects in different sectors and the framework of risk sharing between the project developer and the government, thereby suggesting an optimal risk sharing mechanism;
- Proposing design modifications to the contractual arrangements of PPPs based on the above, and international best practices and the Indian institutional context;
- Proposing measures to improve capacity building in government for effective implementation of the PPP projects.

## Health

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### Ministry issues instructions related to surrogacy

The Ministry of Health and Family Welfare issued instructions related to surrogacy on November 4, 2015.<sup>27</sup> Surrogacy is an arrangement in which a woman agrees to carry a pregnancy that is not genetically related to her and her husband.<sup>28</sup> Under such arrangement, the woman carries such pregnancy with the intention to hand over the child to the genetic parents. The instructions relating to surrogacy include:

- **Foreign nationals:** Foreign nationals and Overseas Citizens of India (OCI) will not be permitted to commission surrogacy in the country. OCI cards are given to persons including (i) foreign nationals who were initially citizens of India, and (ii) children of such foreign nationals. Earlier, foreign nationals could avail a medical visa and OCI cardholders could take permission to commission surrogacy in India.
- **Import of human embryo:** Establishments offering surrogacy services will not be permitted to import human embryos except for research purposes. Earlier, import of human embryo was permitted if a no objection certificate was obtained from the Indian Council of Medical Research.
- **Present cases:** In case a surrogacy procedure (including import and implantation of human embryo) has already

been initiated, the completion of such cases will be allowed.

## Women and Child Development

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### Model Guidelines for Foster Care released by the Ministry

The Ministry of Women and Child Development released Model Guidelines for Foster Care, 2015 in October 2015.<sup>29</sup> The Guidelines have been formulated under the Juvenile Justice Act, 2000, the Integrated Child Protection Scheme and the United Nations Convention on the Rights of the Child, 1989. They will not apply to pre adoptive foster care as the Guidelines Governing Adoption of Children, 2015 will apply in those cases.

Salient features of the Guidelines include:

- **Definition:** Foster care has been defined as placement of a child by the Child Welfare Committee in the domestic environment of a family, other than the child's biological family. This is for the purpose of alternate care. The family should be selected, qualified, approved and supervised for providing such care. A family-like environment would be most conducive for the child. Other terms such as abandoned, surrendered and orphan child have also been defined by the Guidelines.
- **Categories of children eligible for foster care:** (i) Children in the 0-6 years age group should ideally be provided with a permanent family home and not long term foster care, (ii) children between 6-18 years should be placed in foster care based on their individual care plans, (iii) children whose parents are terminally (or mentally) ill, or in jail, or, (iv) children who have been victims of physical, emotional or sexual abuse, etc.
- **Criteria for selection of foster carers:** Both spouses must be: (i) willing to be foster parents, (ii) Indian citizens, (iii) above 35 years of age, (iv) having adequate income, etc.
- **Procedures:** An individual care plan is to be prepared for each child living in a child care institution. After a child study report is prepared, foster parents must be identified.

Once a home study report of the carers or foster parents is prepared, the child may be matched and placed with them. Siblings shall preferably be placed together.

- **Monitoring and review:** The Child Welfare Committee, among others, shall undertake a periodic review of the placement of the child. A Protection Officer shall track the progress of the child by making monthly visits to the child's home and school. Conditions under which foster care may be terminated have also been specified.

It may be noted that the Juvenile Justice (Care and Protection of Children) Bill, 2015, replacing the 2000 Act, is currently pending in Parliament.

### Report on consumption of high fat foods and promotion of healthy snacks in schools, submitted

A Working Group, constituted by the Ministry of Women and Child Development, submitted its report on Addressing Consumption of Foods High in Fat, Salt and Sugar (HFSS) and Promotion of Healthy Snacks in Schools of India in November 2015.<sup>30</sup>

The report has been prepared in light of childhood obesity emerging as a major health concern in the country. Under nutrition, micronutrient deficiencies and excess intake of calories result in obesity and overweight. Overweight and obese children are more likely to develop non-communicable diseases.

Recommendations of the report include:

- HFSS foods in the context of school canteens may be defined as any food or drink which contains low amounts of protein, vitamins, minerals, etc., but is rich in fat, salt and sugar. These are known to have a negative impact on health if consumed regularly or in high amounts.
- Ban the sale of all HFSS foods in school canteens. Foods can be categorised on the basis of nutritional value.
- The Food Safety and Standards (Packaging and Labelling) Regulations, 2011 may be followed with regard to packaging and labelling requirements, including nutritional information, etc. Statutory warnings may also be added.
- Concerned Ministries such as the Ministry of Women and Child Development,

Ministry of Human Resource Development, etc should coordinate their activities.

- The Ministry of Information and Broadcasting should lay down strict regulatory provisions for: (i) advertisement of pre-packaged foods targeted at children, (ii) restricting advertisements on packaged HFSS goods during prime time, etc.

## Agriculture

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### Minimum Support Prices for Rabi crops of the 2015-16 season approved

The Cabinet Committee on Economic Affairs approved the Minimum Support Prices (MSPs) of Rabi crops of the 2015-16 season on November 5, 2015.<sup>31</sup> The MSPs for lentils, oilseeds and pulses had the highest growth as compared to the 2014-15 Rabi season. MSP for gram has increased by 7.9%. MSPs for oilseeds have also been increased over the 2014-15 season, with an 8.1% increase for rapeseed and an 8.2% increase for safflower. Table 5 shows the MSPs for Rabi crops for the 2013-14 to 2015-16 seasons.

**Table 5: MSP for Rabi crops of 2015-16 season (in Rs/quintal)**

Crop	2013-14	2014-15	2015-16	% change (2014-15 to 2015-16)
Wheat	1,400	1,450	1,525	5.2%
Barley	1,100	1,150	1,225	6.5%
Gram	3,100	3,175	3,425	7.9%
Masur (Lentil)	2,950	3,075	3,325	8.1%
Rapeseed/ Mustard	3,050	3,100	3,350	8.1%
Safflower	3,000	3,050	3,300	8.2%

Sources: Ministry of Agriculture; PRS.

### Government declares direct subsidy for sugarcane farmers

The government has declared a direct subsidy for sugarcane growers in order to help them offset the cost of producing sugarcane.<sup>32</sup> A production subsidy of Rs 4.5 per quintal will be provided to the farmers. The subsidy will be given directly to the farmers by the government, on behalf of sugar mills. It will be adjusted against the Fair and Remunerative Price (FRP)

given to sugarcane farmers, including arrears from previous years. FRP is the cost of procuring sugarcane which is paid to farmers by sugar mills. The FRP currently stands at Rs 230 per quintal.<sup>33</sup>

The government has notified a minimum indicative export quota, on a mill-wise basis. The production subsidy mentioned above will only be provided to mills which have fulfilled at least 80% of their export quota.<sup>32</sup> For the mills which produce ethanol, only mills which have achieved 80% of their ethanol production targets can receive the production subsidy.

## Earth Science

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### IMD releases South West Monsoon 2015 end of season report

The Indian Meteorological Department (IMD) released its end of season report for the South West Monsoon season 2015 on October 16, 2015.<sup>34</sup> The seasonal rainfall in the country was 86% of the long period average (LPA), showing a 14% deficiency. Rainfall was 85% of the LPA over North West India, 84% over Central India, 85% over the Southern Peninsula and 92% over North East India. Table 6 shows the actual rainfall over different regions in this season.

**Table 6: Rainfall in the country in the 2015 South West Monsoon season (in mm)**

Region	LPA	Actual Rainfall	Season Rainfall (% of LPA)
North-West India	615.0	510.6	83%
Central India	975.5	815.5	84%
South Peninsula	715.1	605.7	85%
North-East India	1437.3	1317.5	92%
<b>All India</b>	<b>887.5</b>	<b>760.6</b>	<b>86%</b>

Sources: Season (June to September Rainfall), IMD; PRS.

States with highly deficient rainfall include Uttar Pradesh, Nagaland, Manipur and Mizoram, who experienced more than 40% deficient rainfall.<sup>35</sup> Bihar, Maharashtra, Karnataka and Kerala had between 20%-30% deficient rainfall. States such as Madhya Pradesh, Gujarat, Chhattisgarh, Andhra Pradesh and Tamil Nadu had rainfall in the normal range, with less than 15% deficiency.

## Rural Development

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### Target date for full completion of PMGSY brought forward by three years

The central government has brought forward the completion date for Pradhan Mantri Gram Sadak Yojana (PMGSY) by three years from 2022 to 2019 on November 24, 2015.<sup>36</sup> PMGSY was launched in 2000 as a Centrally Sponsored Scheme. Its objective is to provide all-weather road connectivity to all eligible unconnected rural habitations.

The government plans to achieve the target at an earlier date by providing enhanced financial allocation and modifying the funding pattern of the scheme. In enable this, the central allocation for the scheme during 2015-16 has been increased by Rs 5,000 crore to make it Rs 15,100 crore. Table 7 shows the release of funds to states for the past four years.

**Table 7: Central release to states for PMGSY (in Rs crore) up to February 28, 2015**

Year	Allocation (Budgeted Estimate)	Revised Estimate	Amount Released
<b>2012-13</b>	24,000	8,885	8,884
<b>2013-14</b>	21,700	9,700	9,805
<b>2014-15</b>	14,391	14,200	12,791
<b>2015-16</b>	14,291		10,100*

Sources: Demand for Grants (2015-16) of the Ministry of Rural Development (Department of Rural Development); PRS, \*Lok Sabha Unstarred Question No. 4012.

The sub-group of Chief Ministers on Rationalization of Centrally Sponsored Schemes has recommended that fund sharing pattern of PMGSY should be in the ratio of 60:40 between the centre and states. For the eight North-Eastern and three Himalayan states, the funding pattern will be 90:10. This recommendation has been accepted by the Ministry of Rural Development for PMGSY.

## Mines

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### Consultation paper on National Mineral Exploration Policy released

The Ministry of Mines released a consultation paper on the National Mineral Exploration Policy (NMEP) on November 5, 2015.<sup>37, 38</sup> The paper proposes a policy which will contain strategies for the exploration of mineral resources in the country.

The consultation paper contains a list of actionable points. These points include:

- **Creation of National Geo-science Data Repository (NGDR):** Under the proposed policy, a national geo-science data repository will be established. It will be responsible to collate baseline and mineral exploration information generated by various exploration agencies. Baseline data is useful for understanding aspects such geology and structure of various minerals.
- **Prioritization of mineral commodities:** Priority in mineral exploration is based on mineral deficits, trade deficits and value in foreign exchange. Priority will be given to minerals such as nickel and tungsten as both private and public participation in their exploration is low. Further, it is difficult to locate strategic minerals such as tin and cobalt as they occur in low concentration. Therefore, spatial data management technologies will also be utilized for providing detailed information on unexplored areas.
- **NMET fund:** Under the Mines and Minerals (Development and Regulation) Amendment Act, 2015, the National Mineral Exploration Trust (NMET) was established for detailed mineral exploration. The fund established under the NMET may be utilized for exploration projects with focus on generating necessary baseline data.

The issues for consultation included: (i) establishing priorities in terms of mineral commodities, areas and mining technology and (ii) estimating and utilizing financial and human resources in the mineral sector

## Petroleum and Natural Gas

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### Consultation paper on new fiscal and contractual regime for award of hydrocarbons acreages released

The Ministry of Petroleum and Natural Gas released a consultation paper on the new fiscal and contractual regime for award of hydrocarbons acreages (areas containing hydrocarbon reserves).<sup>39</sup> The key policy changes proposed in the paper include:

- **Uniform licensing policy:** Presently, a separate license is issued for the exploration and production of an individual hydrocarbon resource. The proposed uniform licensing policy will enable companies to explore and extract all hydrocarbon resources (such as oil and natural gas) in an area under one license. Further, a single contractual regime will replace the existing National Exploration Licensing Policy (NELP) and Coal Bed Methane (CBM) policy. NELP provides for the regulation of onshore and offshore hydrocarbon reserves. The CBM policy governs extraction of natural gas from coal beds.
- **Revenue sharing contracts:** The present system of production sharing (such as cost recovery method) will be replaced by a revenue sharing system. Under the present system of cost recovery, companies recover the cost incurred before sharing the profits with the central government. Post the proposed change, these companies will bid for a percentage of revenue that they will share with the central government.
- **Open acreage licensing policy (OALP):** As per availability of exploration acreages, a new offer system will be established. Under the new system, companies will be able bid over a continuous period of time for the areas of their choice.

The issues for consultation included: (i) methods to make OALP operational, (ii) pricing and marketing of natural gas for the areas to be awarded under the new policy, and (iii) technical qualifications for the evaluation of bids.

## Cabinet approves marketing margin for supply of domestic gas to Urea and LPG producers

The Cabinet approved the determination of marketing margin for supply of domestic gas to Urea and Liquefied Petroleum Gas (LPG) producers on November 18, 2015.<sup>40</sup> Marketing margin is the charge levied over the price of gas for taking an additional risk associated with the marketing of gas. This charge is levied by gas marketing companies on the consumers.

Presently, gas marketing companies charge variable marketing margins for the supply of natural gas. Post this decision, for regulated sectors such as Urea and LPG, there will be a uniform marketing margin that will be charged by these companies. The future revisions in the marketing margin will be determined on the basis of the wholesale price index. The Ministry of Petroleum and Natural Gas will be responsible to determine such margin.

## Telecom

### Technical paper on call drops released

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The Telecom Regulatory Authority of India (TRAI) released a Technical Paper on Call Drop in Cellular Networks on November 10, 2015.<sup>41</sup>

In October 2015, TRAI had issued the ninth amendment to Consumer Protection Regulations, 2012 in light of increasing consumer complaints regarding frequent call drops. More information on this can be found in the [PRS Monthly Policy Review for October 2015](#).

Key aspects of the paper include:

**Analysis of various Quality of Service parameters:** (i) The Call Drop Rate (CDR) is a parameter which provides the consumer with an expectation of how successful a mobile network will be at retaining signal throughout the duration of a call. The formula for calculating this is: (calls dropped/total number of calls successfully established) \* 100; and (ii) Operators are generally meeting the benchmark of 95% and above when it comes to connections with good voice quality.

- **Effect of network traffic on call drop rate:** Average traffic intensity can be

calculated as the average duration of a call divided by the average number of call requests per unit time for each user. On an average, it is seen that as traffic intensity increases, CDR increases in a linear manner.

- **Steps to be taken by service providers:** (i) multiple routes for same call, (ii) use of signal boosters, (iii) prioritisation schemes such as finishing ongoing calls rather than accepting new ones, queues to be arranged as first in/first out, (iv) improvement in tower related infrastructure, etc.

### Comments invited on valuation and reserve price of spectrum

The Telecom Regulatory Authority of India (TRAI) invited comments on the Consultation Paper on Valuation and Reserve Price of Spectrum in 700, 800, 900, 1800, 2100, 2300 and 2500 MHz Bands on November 26, 2015. Comments are invited by December 21, 2015 and counter comments, by December 28, 2015.<sup>42</sup>

The issues for consultation broadly pertained to:

- Whether the entire spectrum available, in the specified bands, should be put up for auction and what the block sizes should be;
- Whether it should be mandated to cover villages or rural areas first and then urban areas as part of roll out obligations;
- Whether the same eligibility criteria should be applied to all bands; and
- Whether the value received from earlier auctions should be applied to other bands.

### TRAI releases draft Telecommunication Interconnection Amendment Regulations

The Telecom Regulatory Authority of India (TRAI) issued the sixth amendment to the Telecommunication (Broadcasting and Cable Services) Interconnection (Digital Addressable Cable Television Systems) Regulations, 2015 on November 3, 2015.<sup>43</sup>

These Regulations have been notified in context of rising disputes and abrupt disconnections affecting quality of service to consumers. This is occurring due to TV channel signals being provided by several broadcasters to Multi System Operators (MSOs) and by MSOs to Local Cable Operators (LCOs) in the absence of interconnection agreements, in writing. Another

reason for disputes and complaints is lack of clarity regarding effective date of applicability of new agreements. The present Regulations provide for mutual negotiations even after expiry of such agreements, for three months.

Key provisions of the amendment include:

- It is mandatory for the broadcaster to enter into a written interconnection agreement with the MSO. Service providers are required to enter into new agreements 21 days prior to the date of expiry of the existing agreement.
- The broadcaster shall give a notice to the MSO to enter into a new agreement, 60 days prior to expiry of existing agreement. In case of failure to enter into new agreement, the MSO shall inform the consumer of disconnection of signal, 15 days prior to expiry of existing agreement.

## Education

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### Committee constituted by IIT Council submits report on the entrance exam

The Committee of Eminent Persons, constituted by the Indian Institutes of Technology (IIT) Council (a pan-IITs body), submitted its report to the Ministry of Human Resource Development on November 7, 2015.<sup>44</sup>

The Committee made recommendations regarding structural changes to the Joint Entrance Exam (JEE) and the practice to be followed till such changes are enforced. The JEE is a common entrance exam for admissions into central engineering institutes.

The major changes recommended include:

- A National Testing Service should be set up by 2016 to conduct an aptitude test for students. This would test scientific aptitude and innovative thinking ability.
- Based on their performance in this test, four lakh students will be shortlisted for taking the JEE.
- For 2016 and 2017, the practice of two-tier JEE examinations shall continue. Joint counselling for IITs and National Institutes of Technology (NITs) shall continue too.

- Board marks shall not be counted in giving rankings this year for NITs, etc.

The major structural changes in the JEE will be brought into effect from 2017.

## External Affairs

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### Prime Minister visits UK, Turkey, Malaysia and Singapore

Prime Minister Mr. Narendra Modi visited the United Kingdom (UK) and Turkey from November 12-14, 2015, and Malaysia and Singapore from November 21-24, 2015.<sup>45</sup> During these visits, the Prime Minister attended the 10<sup>th</sup> G20 Summit in Turkey, and the 10<sup>th</sup> East Asia Summit and the 13<sup>th</sup> Association of South East Asian Nations-India Summit in Malaysia. India also signed some key agreements with the UK, Malaysia and Singapore during these visits.

**UK:** India signed six documents and agreements with the UK including: (i) a vision statement setting out a roadmap for improving cooperation across sectors (like manufacturing, infrastructure, clean energy), (ii) an agreement to intensify cooperation in defence and international security matters including counter-terrorism and maritime security, (iii) a joint statement on energy and climate change outlining the need to undertake domestic commitments and international cooperation on climate change, and (iv) a civil nuclear agreement, details of which are not available in the public domain.<sup>46</sup>

**Malaysia:** India entered into three agreements and memoranda of understanding (MoUs) with Malaysia on cultural exchange, cyber-security and project delivery and monitoring.<sup>47</sup>

**Singapore:** India signed 10 documents and agreements with Singapore including: (i) an agreement on defence cooperation between the armed forces, defence industries, etc, (ii) an MoU on cooperation in cyber-security, (iii) an MoU on cooperation in areas such as urban planning, waste water management, public private partnerships, etc.<sup>48</sup>

## Environment

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### Indian Resource Panel set up to prepare roadmap for utilisation of secondary resources

The Minister of Environment, Forest and Climate Change, Mr. Prakash Javadekar, announced the formation of the Indian Resource Panel on November 18, 2015.<sup>49</sup>

The Ministry observed that while India is expected to have the third largest consumer group in the world by 2020, it is facing supply constraints and is imports dependent in certain sectors. In this context, the panel is mandated to prepare a roadmap for utilisation of secondary resources (such as scrap from steel, aluminium, recoverable plastic, etc.) for meeting developmental needs of the country. However, no timeline has been specified by the Ministry for submission of its report.

The panel will comprise 10 members including former government officials with the Ministry of Environment and representatives of various non-governmental organisations (such as Centre for Science and Environment and Confederation of Indian Industry).

<sup>1</sup> Lok Sabha Bulletin 2, November 12, 2015; Rajya Sabha Bulletin 2, November 12, 2015.

<sup>2</sup> Quarterly Estimate of Gross Domestic Product for the second quarter (July-September) of 2015-16, Press Release, Ministry of Statistics and Programme Implementation, November 30, 2015, [http://mospi.nic.in/Mospi\\_New/upload/nad\\_PR\\_30nov15.pdf](http://mospi.nic.in/Mospi_New/upload/nad_PR_30nov15.pdf)

<sup>3</sup> Quick Estimates of Index of Industrial Production and Use Based Index for the Month of September, 2015 (Base 2004-05=100), Press Release, Ministry of Statistics and Programme Implementation, November 12, 2015;

Quick Estimates of Index of Industrial Production and Use Based Index for the Month of August, 2015 (Base 2004-05=100), Press Release, Ministry of Statistics and Programme Implementation, October 12, 2015;

Quick Estimates of Index of Industrial Production and Use Based Index for the Month of July, 2015 (Base 2004-05=100), Press Release, Ministry of Statistics and Programme Implementation, September 11, 2015.

<sup>4</sup> Report of the Seventh Central Pay Commission, November 19, 2015, Ministry of Finance, [http://finmin.nic.in/7cpc/7cpc\\_report\\_eng.pdf](http://finmin.nic.in/7cpc/7cpc_report_eng.pdf).

<sup>5</sup> Highlights of recommendations of Seventh Central Pay Commission, Ministry of Finance, [http://finmin.nic.in/press\\_room/2015/7thCPC\\_Highlight.pdf](http://finmin.nic.in/press_room/2015/7thCPC_Highlight.pdf).

<sup>6</sup> Report of the Bankruptcy Law Reforms Committee, November 4, 2015, Ministry of Finance, [http://finmin.nic.in/reports/BLRCReportVol1\\_04112015.pdf](http://finmin.nic.in/reports/BLRCReportVol1_04112015.pdf).

<sup>7</sup> Draft Insolvency and Bankruptcy Bill, 2015, <http://finmin.nic.in/reports/DraftInsolvencyBankruptcyBil2015.pdf>

<sup>8</sup> RBI grants 'in-principle' approval to NPCI to function as the central unit for Bharat Bill Payment Systems, RBI Press Release, November 24, 2015, <https://rbidocs.rbi.org.in/rdocs/PressRelease/PDFs/IEPR1234B6DAA18EF1A649BDA4F5775134A6364E.PDF>.

<sup>9</sup> 12(1)/2014/D (Pen/PoD)- Part II, Government of India, Ministry of Defence, Department of Ex- Servicemen Welfare, November 7, 2015, [http://www.desw.gov.in/sites/upload\\_files/desw/files/pdf/OR-OP-DESW-MOD.pdf](http://www.desw.gov.in/sites/upload_files/desw/files/pdf/OR-OP-DESW-MOD.pdf).

<sup>10</sup> "Ujwal DISCOM Assurance Yojna (UDAY) Scheme", Ministry of Power, November 20, 2015, [http://powermin.nic.in/upload/pdf/Uday\\_Ujjawal\\_Scheme\\_f\\_or\\_Operational\\_and\\_financial\\_Turnaround\\_of\\_power\\_distribution\\_companies.pdf](http://powermin.nic.in/upload/pdf/Uday_Ujjawal_Scheme_f_or_Operational_and_financial_Turnaround_of_power_distribution_companies.pdf).

<sup>11</sup> Reports on the performance of state power utilities for the years 2004-05 to 2013-14, Power Finance Corporation, <http://www.pfcindia.com>.

<sup>12</sup> "Draft National Policy on Geo-Thermal Energy" and "Draft Guidelines For Development of Geo-Thermal Energy in India", Ministry of New and Renewable Energy, November 24, 2015, <http://mnre.gov.in/file-manager/UserFiles/Draft-National-Policy-on-Geothermal-Energy.pdf>.

<sup>13</sup> Report of the Sub-Group of Chief Ministers on Rationalisation on Centrally Sponsored Schemes, NITI Aayog, October 2015, [http://niti.gov.in/mgov\\_file/Final%20Report%20of%20the%20Sub-Group%20submitter%20to%20PM.pdf](http://niti.gov.in/mgov_file/Final%20Report%20of%20the%20Sub-Group%20submitter%20to%20PM.pdf).

<sup>14</sup> "Review of FDI policy on various sectors", Department of Industrial Policy and Promotion, Press Note 12, 2015.

<sup>15</sup> "Launch of Technology Acquisition and Development Fund under National Manufacturing Policy", Press Information Bureau, Ministry of Commerce and Industry, November 19, 2015.

<sup>16</sup> "National Manufacturing Policy", October 2011. [http://dipp.nic.in/english/policies/national\\_manufacturing\\_policy\\_25october2011.pdf](http://dipp.nic.in/english/policies/national_manufacturing_policy_25october2011.pdf)

<sup>17</sup> "Disinvestment of 10 percent paid up equity capital in Coal India Limited", Press Information Bureau, Ministry of Finance, November 18, 2015.

<sup>18</sup> "Disinvestment of Coal India through OFS successfully completed", Press Information Bureau, Ministry of Finance, January 30, 2015.

<sup>19</sup> "Government decides to provide further Indirect Tax Incentives to Domestic Shipbuilding Industry", Press Information Bureau, Ministry of Finance, November 26, 2015.

<sup>20</sup> "Smart City Plans to be evaluated based on credibility, doability and citizen engagement", Press Information Bureau, Ministry of Urban Development, November 13, 2015.

<sup>21</sup> "AMRUT Action Plans for 81 cities approved with total project outlay of Rs.5,748 cr", Press Information Bureau, Ministry of Urban Development, November 16, 2015.

<sup>22</sup> "Basic urban infra investment plans for 102 cities approved under AMRUT", Press Information Bureau, Ministry of Urban Development, November 26, 2015.

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- <sup>33</sup> “Determination of Fair and Remunerative Price payable by sugar mills for 2015-16 sugar season”, Press Information Bureau, Cabinet Committee on Economic Affairs, January 16, 2015.
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**Annexure****Table 8: Proposed restructuring of Centrally Sponsored Schemes**

No.	66 CSS as approved by the Cabinet for the 12th Plan	Proposed umbrella programmes/Ministries
1.	Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGA)	1. National Rural Employment Guarantee Scheme
2.	National Social Assistance Programme (NSAP)	2. National Social Assistance Programme
3.	National Programme for persons with disabilities	3. National Programme for Persons with Disabilities
4.	Scheme for Development of Scheduled Castes	4. Umbrella Programme for Development of Scheduled Castes
5.	Umbrella scheme for Education of ST students	5. Umbrella Programme for Development of Scheduled Tribes
6.	Minorities including Multi Sectoral Development Programme for providing Education to Madrasas/Minorities	6. Multi Sectoral Development Programme for Minorities
7.	Scheme for Development of Other Backward Classes and denotified, nomadic and semi-nomadic Tribes	7. Umbrella Programme for Development of Other Vulnerable Groups
8.	Scheme for development of Economically backward Classes ( EBCs)	
9.	Pradhan Mantri Adarsh Gram Yojana (PMAGY)	
10.	National Food Security Mission	
11.	National Horticulture Mission	
12.	National Mission on Sustainable Agriculture	8. Krishi Unnati Yojana
13.	National Oilseed and Oil Palm Mission	
14.	National Mission on Agriculture Extension and Technology	
15.	Rashtriya Krishi Vikas Yojana (RKVY) (ACA)	
16.	National Livestock Management Programme	
17.	National Livestock Health and Disease Control Programme	9. Rashtriya Pashudhan Vikas Yojana + Fisheries
18.	National Plan for Dairy Development	
19.	National Rural Drinking Water Programme	10. Swachh Bharat Abhiyan (Grameen)
20.	Nirmal Bharat Abhiyan	11. National Drinking Water Mission
21.	National River Conservation Programme (NRCP)	
22.	National Afforestation Programme (National Mission for a Green India)	
23.	Conservation of Natural Resources and Ecosystems	12. Environment, Forestry & Wildlife
24.	Integrated Development of Wild Life Habitats	
25.	Project Tiger	
26.	National Health Mission including NRHM	
27.	Human Resource in Health and Medical Education	13. National Health Mission including AYUSH, NACO and Medical Research
28.	National Mission on Ayush including Mission on Medicinal Plants	
29.	National AIDS & STD Control Programme	
30.	Border Area Development Programme (BADP) (ACA) (MHA/M/o Finance)	14. Border Area Development Programme
31.	National Urban Livelihood Mission	15. National Livelihood Mission – Rural
32.	National Rural Livelihood Mission (NRLM)	16. National Livelihood Mission - Urban
33.	Rajiv Awas Yojana including JNNURM part of MoHUPA	17. Housing for All- Rural (RD)
34.	Indira Awaas Yojana (IAY)	18. Housing for All- Urban (HUPA)
35.	Sarva Siksha Abhiyan	
36.	Rashtriya Madhyamik Shiksha Abhiyan (RMSA)	
37.	Support for Educational Development including Teachers Training & Adult Education	19. National Education Mission
38.	Rashtriya Uchhtar Shiksha Abhiyan	
39.	Scheme for providing education to Madrasas, Minorities and Disabled	
40.	National Service Scheme	20. National Service Scheme

41.	National Programme Nutritional Support to Primary Education (MDM)	21. Mid Day Meal Programme
42.	Integrated Child Development Services (ICDS)	22. Integrated Child Development Scheme and related programmes like maternity benefits, Sabla, KSY etc.
43.	Integrated Child Protection Scheme (ICPS)	23. Integrated Child Protection Scheme
44.	Development of Infrastructure Facilities for Judiciary including Gram Nyayalayas	24. Infrastructure Facilities for Judiciary
45.	Pradhan Mantri Gram Sadak Yojana (PMGSY)	25. Pradhan Mantri Gram Sadak Yojana
46.	Integrated Watershed Management Programme (IWMP)	
47.	Accelerated Irrigation Benefit & Flood Management Programme (merging AIBP and other programmes of water resources such as CAD, EMP etc.) (ACA) + DAC	26. Pradhan Mantri Krishi Sinchai Yojana
48.	Jawaharlal Nehru National Urban Renewal Mission (JNNURM) (ACA)	27. Atal Mission for Rejuvenation and Urban Transformation (AMRUT) 28. Swachh Bharat Abhiyan Shahari 29. Smart Cities Mission
49.	National Mission for Empowerment of Women including Indira Gandhi Matritrav Sahyog Yojana	Transferred to Central Sector and IGMSY made a sub-scheme of ICDS
50.	Rajiv Gandhi Scheme for Empowerment of Adolescent Girls (SABLA)	To be implemented through ICDS machinery
51.	National Land Record Modernisation Programme	To be transferred to Central Sector ( Digital India Initiatives)
52.	Assistance to States for Infrastructure Development for Exports (ASIDE)	Delinked from Union Support
53.	Backward Regions Grant Fund (District Component) (ACA)	Delinked from Union Support
54.	Rajiv Gandhi Panchayat Sashastrikan Yojana	Delinked from Union Support
55.	Backward Regions Grant Fund (BRGF) (State Component)	Delinked from Union Support
56.	National Scheme for Modernization of Police and other forces	Delinked from Union Support
57.	Scheme for setting up of 6000 Model Schools at Block level as Benchmark of Excellence	Delinked from Union Support
58.	National E-Governance Action Plan (NeGAP) (ACA)	Transferred to Central Sector (as part of Digital India)
59.	Social Security for Unorganized Workers including Rashtriya Swasthya Bima Yojana	Transferred to Central Sector
60.	Skill Development Mission	Transferred to Central Sector
61.	Support for Statistical Strengthening	Transferred to Central Sector
62.	National Handloom Development Programme	Transferred to Central Sector
63.	Catalytic Development programme under Sericulture	Transferred to Central Sector
64.	Infrastructure Development for Destinations and Circuits	Transferred to Central Sector
65.	National Mission on Food Processing	Transferred to Central Sector
66.	Yuva Krida aur Khel Abhiyan (PYKKA)	To be transferred to Central Sector

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