ANNUAL POLICY REVIEW
2022-2023
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Highlights of the year

Macroeconomic Development
In 2022-23, India’s real GDP was estimated to grow by 7% over 9% in the previous year. RBI revised the repo rate upwards six times from 4% in April 2022 to 6.5% in February 2023. Retail inflation averaged at 6.7% in 2022-23. Wholesale price index inflation averaged 9.4% in 2022-23, lower than 13% in 2021-22.

Finance
The Finance Ministry brought virtual digital assets under the purview of money laundering. The Supreme Court observed that GST Council’s recommendations are not binding on the centre and states. RBI allowed the settlement of international trade in Indian Rupees.

Road Transport
Rules to collect fee for the use of National Highways were amended to charge fees based on actual distance travelled by a vehicle. The ownership and award criteria for PPP mode highway projects were amended. The criteria for allocation of funds for the development of state roads was amended.

Health
Surrogacy rules indicating conditions under which surrogacy is permissible were notified. Draft Bill to ensure quality, efficacy, and clinical trial of new drugs and clinical investigation of investigational medical devices was released.

Information Technology
The draft Digital Personal Data Protection Bill, 2022 was released. The IT Rules, 2021 were amended to allow a centrally appointed authority to identify and cause the removal of fake news. The Rules were also amended to regulate online gaming.

Defence
The Union Cabinet approved the Agnipath Scheme under which candidates will serve for four years and be known as Agniveers. The Defence Acquisition Procedure was amended to promote indigenous production of defence equipment. The criteria for appointment of Chief of Defence Staff was amended.

Law and Justice
The Supreme Court suspended the enforcement of the sedition law. It also upheld the reservation for economically weaker sections. The 22nd Law Commission invited comments on conducting simultaneous elections.

Petroleum
The target of achieving 20% ethanol blending by 2030 was advanced to 2025-26. The sale of domestically produced crude oil was also deregulated. A one-time grant of Rs 22,000 crore was approved for marketing PSUs for their losses in supplying domestic LPG.

Home Affairs
Parliament introduced a Bill to empower the central government to establish an Election Authority for multi-state cooperative societies. A Bill to collect identifiable details of convicts and arrested persons was passed. A scheme for the development of villages with the northern China border was notified.

Power
Parliament passed the Energy Conservation Bill, 2022 that empowered the central government to specify a carbon trading scheme. The Electricity (Amendment) Bill, 2022 was introduced in Lok Sabha and was referred to a Committee. The Cabinet approved the National Green Hydrogen Mission.

Environment
The Forest (Conservation) Amendment Bill, 2023 was introduced in Parliament which seeks to add and exempt certain types of land from the purview of the Act. Rules regulating battery waste management and e-waste were notified. India updated its climate change related targets to bring down emissions.

Communications
The draft Indian Telecommunication Bill, 2022 was released for public feedback. The Union Cabinet approved the auction of 5G spectrum. It also approved a project to provide 4G services in certain uncovered villages.
During 2022-23, Parliament passed 17 Bills. This is lower than the average (32 Bills) passed in a year during the last five years.

Table 1: Bills passed by Parliament from April 2022 to March 2023

<table>
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<th>Short Title</th>
<th>Sector</th>
<th>Key Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Criminal Procedure (Identification) Bill, 2022</td>
<td>Home Affairs</td>
<td>Replaces the Identification of Prisoners Act, 1920. Expands the type of identification data that may be collected, and persons whose data may be collected. Authorises the National Crime Records Bureau to collect, store, and preserve these details.</td>
</tr>
<tr>
<td>The Anti-Maritime Piracy Bill, 2019</td>
<td>Security</td>
<td>Enables Indian authorities to take action against piracy in the high seas, and punishes acts of piracy with life imprisonment or death.</td>
</tr>
<tr>
<td>The Energy Conservation (Amendment) Bill, 2022</td>
<td>Energy</td>
<td>Enables carbon credit trading, and requires certain consumers to meet their energy needs from non-fossil sources.</td>
</tr>
<tr>
<td>The Indian Antarctic Bill, 2022</td>
<td>Environment</td>
<td>Gives effect to the Antarctic Treaty, the Protocol on Environmental Protection to the Antarctic Treaty, and the Convention on the Conservation of Antarctic Marine Living Resources.</td>
</tr>
<tr>
<td>The Wild Life (Protection) Amendment Bill, 2021</td>
<td>Environment</td>
<td>Increases the number of species protected under the law, and implements the Convention on International Trade in Endangered Species of Flora and Fauna.</td>
</tr>
<tr>
<td>The Delhi Municipal Corporation (Amendment) Bill, 2022</td>
<td>Urban Development</td>
<td>Merges the three municipal corporations under the Delhi Municipal Corporation Act, 1957 into one Corporation. Reduces the total seats in the Corporation from 272 to 250.</td>
</tr>
<tr>
<td>The Chartered Accountants, the Cost and Works Accountants and the Company Secretaries (Amendment) Bill, 2021</td>
<td>Corporate Affairs</td>
<td>Amends disciplinary mechanisms for chartered accountants, cost accountants, and company secretaries.</td>
</tr>
<tr>
<td>The Constitution (Scheduled Castes and Scheduled Tribes) Orders (Amendment) Bill, 2022</td>
<td>Social Justice</td>
<td>Amends the list of Scheduled Castes and Tribes in Jharkhand.</td>
</tr>
<tr>
<td>The Constitution (Scheduled Tribes) Orders (Amendment) Bill, 2022</td>
<td>Social Justice</td>
<td>Includes the Darlong community as a sub-tribe of the Kuki tribe in the list of Scheduled Tribes in Tripura.</td>
</tr>
<tr>
<td>The Constitution (Scheduled Castes and Scheduled Tribes) Orders (Second Amendment) Bill, 2022</td>
<td>Social Justice</td>
<td>Amends the lists of Scheduled Castes and Scheduled Tribes in Uttar Pradesh.</td>
</tr>
<tr>
<td>The Constitution (Scheduled Tribes) Order (Second Amendment) Bill, 2022</td>
<td>Social Justice</td>
<td>Adds Narikoravan and Kurivikkaran communities to the list of Scheduled Tribes in Tamil Nadu.</td>
</tr>
<tr>
<td>The Constitution (Scheduled Tribes) Order (Fourth Amendment) Bill, 2022</td>
<td>Social Justice</td>
<td>Adds Betta-Kuruba as a synonym for the Kuruba community in the list of Scheduled Tribes of Karnataka.</td>
</tr>
<tr>
<td>The New Delhi International Arbitration Centre (Amendment) Bill, 2022</td>
<td>Law</td>
<td>Renames the New Delhi International Arbitration Centre as the India International Arbitration Centre.</td>
</tr>
<tr>
<td>The Central Universities Amendment Bill, 2021</td>
<td>Education</td>
<td>Converts the National Rail Transportation Institute into Gati Shakti Vishvavidyala, and gives it central university status.</td>
</tr>
</tbody>
</table>

Note: This list excludes Finance and Appropriation Bills.
Sources: Relevant Bills; Bulletins of Lok Sabha and Rajya Sabha; PRS.
Macroeconomic Development

State of the economy in 2022-23

In 2022-23, India’s real GDP was estimated to grow by 7%, compared to a growth of 9.1% in 2021-22.\(^1\) In 2022-23, nominal GDP (at prices without adjusting for inflation) was estimated to be Rs 272 lakh crore. The per capita income in 2022-23 (at current prices) was estimated at Rs 1,72,000.

Table 2: Gross value added (GVA) across sectors at constant prices (in %, year-on-year)

<table>
<thead>
<tr>
<th>Sector</th>
<th>2020-21</th>
<th>2021-22</th>
<th>2022-23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>4.1%</td>
<td>3.5%</td>
<td>3.3%</td>
</tr>
<tr>
<td>Mining</td>
<td>-8.6%</td>
<td>7.1%</td>
<td>3.4%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>2.9%</td>
<td>11.1%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Electricity and other utility services</td>
<td>-4.3%</td>
<td>9.9%</td>
<td>9.2%</td>
</tr>
<tr>
<td>Construction</td>
<td>-5.7%</td>
<td>14.8%</td>
<td>9.1%</td>
</tr>
<tr>
<td>Trade</td>
<td>-19.7%</td>
<td>13.8%</td>
<td>14.2%</td>
</tr>
<tr>
<td>Financial Services</td>
<td>2.1%</td>
<td>4.7%</td>
<td>6.9%</td>
</tr>
<tr>
<td>Public Services</td>
<td>-7.6%</td>
<td>9.7%</td>
<td>7.1%</td>
</tr>
<tr>
<td>GVA</td>
<td>-4.2%</td>
<td>8.8%</td>
<td>6.6%</td>
</tr>
<tr>
<td>GDP</td>
<td>-5.8%</td>
<td>9.1%</td>
<td>7.0%</td>
</tr>
</tbody>
</table>

Sources: MoSPI; PRS.

Inflation trends in 2022-23

Consumer Price Index (CPI) measures the change in prices of items at the retail level. In 2022-23, CPI inflation averaged at 6.7% as compared to 5.5% in 2021-22. The CPI basket includes items commonly consumed by households such as food articles, fuel, clothing, housing, and health services. Food and beverages have a share of 46% in the CPI basket. In 2022-23, food inflation averaged at 6.6% which was significantly higher than 3.8% in 2021-22. The Wholesale Price Index (WPI) measures the average change in the prices of commodities for bulk sale at the level of the early stage of transactions.\(^2\) In 2022-23, WPI inflation averaged 9.4%, lower than 13% in 2021-22.

Figure 1: CPI and WPI inflation in 2022-23 (in %, year-on-year)

Sources: MoSPI; Ministry of Commerce and Industry; RBI; PRS.

Balance of Payments in 2022-23

The Balance of Payments account reflects the transactions of a country with the rest of the world. It consists of the current account (exports of goods and services, remittances, and dividend payments) and the capital account (flow of funds through equity investments and borrowings). India recorded a current account deficit of 2.7% of GDP in April-Dec 2022, as compared to 1.1% of GDP in April-December 2021.\(^3\) This was driven by an increase in merchandise trade deficit from USD 135 billion in April-December 2021 to USD 214 billion in April-December 2022. Foreign exchange reserves reduced by USD 14.7 billion in April-December 2022.

Table 3: Balance of payments in April-December 2022-23 (USD billion)

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<th></th>
<th>Apr-Jun</th>
<th>Jul-Sep</th>
<th>Oct-Dec</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current account</td>
<td>-18.0</td>
<td>-30.9</td>
<td>-18.2</td>
</tr>
<tr>
<td>Capital account</td>
<td>21.9</td>
<td>1.4</td>
<td>30.2</td>
</tr>
<tr>
<td>Errors and omissions</td>
<td>0.7</td>
<td>-0.9</td>
<td>-0.9</td>
</tr>
<tr>
<td>Change in reserves</td>
<td>4.6</td>
<td>-30.4</td>
<td>11.1</td>
</tr>
</tbody>
</table>

Sources: Reserve Bank of India; PRS.

Monetary Policy Decisions

The Monetary Policy Committee (MPC) of RBI took the following decisions during 2022-23:

- The repo rate (the rate at which RBI lends money to banks) was revised upwards six times during 2022-23 from 4% in April 2022 to 6.5% in February 2023.\(^4\)\(^5\)
- The standing deposit facility rate (the rate at which RBI borrows from banks without giving collateral) was similarly increased from 3.75% in April 2022 to 6.25% in February 2023.
- The marginal standing facility rate (under which banks can borrow additional money) and bank rate (at which RBI buys or rediscounts bills of exchanged) increased from 4.25% to 6.75%.
- The stance of the MPC shifted from remaining accommodative while focussing on withdrawal of accommodation to only withdrawal of accommodation.\(^6\)\(^7\) This was aimed to keep inflation within the target while also supporting growth.
Economic Survey 2022-23 presented

The Finance Minister, Ms. Nirmala Sitharaman tabled the Economic Survey 2022-23 in January 2023 in Parliament. Key highlights of the Survey are as follows:

- **Gross Domestic Product (GDP):** The Survey has estimated real GDP growth in 2023-24 at 6.5%. It observed that the actual growth rate would lie in the range of 6-6.8%, depending on the trajectory of economic and political developments globally. Growth in the upcoming year will be supported by domestic demand and increase in investment. However, developments around the world, such as increase in interest rates by central banks, prolonged strains in supply chain, and geopolitical conflict, pose a risk to economic growth. In 2022-23, GDP is estimated to grow at 7% in real terms.

- **Debt:** Total liabilities of the central government are estimated to decline from 59.2% of GDP in 2020-21 to 56.7% of GDP in 2021-22. Outstanding liabilities of the general government are estimated to be 86.5% in 2022-23. The Survey noted that India’s public debt profile is relatively stable. Most of it is held by residents and is denominated in rupees (95.1% of the total). External debt is entirely owed to official sources, which insulates it from changes in international capital markets. About 98% of the debt is contracted at fixed interest rates, insulating it from changes in interest rates. Historically, nominal GDP growth rate has been higher than interest rates. Steady economic growth will accelerate the consolidation of debt.

- **Industry:** Industry accounts for 31% of India’s GDP and employs over 12.1 crore people. In 2022-23, the industrial sector was estimated to grow by 6.7%. The increase in the capital expenditure of the central government in the post-pandemic period crowded in investment from the private sector, which provided a stimulus to industrial growth.

- The volatility in international commodity prices and disruptions in supply of raw materials can adversely impact industrial growth. Normalcy in China from COVID-19 can increase commodity demand and lead to higher prices. However, industrial output should continue to grow based on resilient domestic demand.

For a PRS summary of the Economic Survey, please see [here](#).

Finance

Union Budget 2023-24 presented

The Finance Minister, Ms. Nirmala Sitharaman, presented the 2023-24 Union Budget. Key highlights of the Budget include:

- **Expenditure:** The government proposed to spend Rs 45,03,097 crore in 2023-24, which is an increase of 7.5% over the revised estimate for 2022-23.

- **Receipts:** The receipts (other than borrowings) in 2023-24 are expected to be Rs 27,16,281 crore, which is an increase of 11.7% over the revised estimate for 2022-23.

- **GDP growth:** The government estimates a nominal GDP growth rate of 10.5% in 2023-24 (i.e., real growth plus inflation). Nominal GDP is estimated to grow at 15.4% in 2022-23, as per the First Advance Estimate.

- **Deficits:** Fiscal deficit in 2023-24 is targeted at 5.9% of GDP, lower than the revised estimate of 6.4% in 2021-22. Revenue deficit in 2023-24 is targeted at 2.9% of GDP, which is lower than the revised estimate of 4.1% in 2022-23.

- **Changes in the new tax regime:** The number of tax slabs were reduced from six to five, and income will be taxed at higher levels. The surcharge on income when it exceeds five crore rupees is reduced from 37% to 25%.

- **Policy proposals:** The scheme providing 50-year interest free loans to state governments will be made available in 2023-24 also, with an outlay of Rs 1.3 lakh crore. An Agriculture Accelerator Fund will be set up to encourage agri-startups in rural areas.

Table 4: Union Budget 2023-24 highlights (in Rs crore)

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<thead>
<tr>
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<th>RE 22-23</th>
<th>BE 23-24</th>
<th>% change RE to BE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Expenditure</td>
<td>37,93,801</td>
<td>41,87,232</td>
<td>45,03,097</td>
<td>7.5%</td>
</tr>
<tr>
<td>Total Receipts</td>
<td>22,09,280</td>
<td>24,31,913</td>
<td>27,16,281</td>
<td>11.7%</td>
</tr>
<tr>
<td>Revenue Deficit</td>
<td>10,31,021</td>
<td>11,10,546</td>
<td>8,69,855</td>
<td>-21.7%</td>
</tr>
<tr>
<td>% of GDP</td>
<td>4.4%</td>
<td>4.1%</td>
<td>2.9%</td>
<td>-</td>
</tr>
<tr>
<td>Fiscal Deficit</td>
<td>15,84,521</td>
<td>17,55,319</td>
<td>17,86,816</td>
<td>1.8%</td>
</tr>
<tr>
<td>% of GDP</td>
<td>6.7%</td>
<td>6.4%</td>
<td>5.9%</td>
<td>-</td>
</tr>
</tbody>
</table>

Note: RE is revised estimates, BE is budget estimates
Sources: Union Budget documents 2023-24; PRS.

For an analysis of the Union Budget 2023-24 and the expenditure of 15 major Ministries, see [here](#).
Competition (Amendment) Bill, 2022 passed by Lok Sabha

In March 2023, the Competition (Amendment) Bill, 2022 was passed by Lok Sabha. The Bill had been examined by the Standing Committee on Finance which suggested certain changes. Some of these changes were incorporated in the Bill at the time of passing. The Bill seeks to amend the Competition Act, 2002. The Act established the Competition Commission of India (CCI) for regulating market competition. Key features of the Bill include:

- **Regulation of combinations based on transaction value:** The Act prohibits any person or enterprise from entering into a combination which may cause an appreciable adverse effect on competition. Combinations imply mergers, acquisitions, or amalgamation of enterprises. The prohibition applies to transactions where parties involved have: (i) cumulative assets of more than Rs 1,000 crore, or (ii) cumulative turnover of more than Rs 3,000 crore, subject to certain other conditions. The Bill expands the definition of combinations to include transactions with a value above Rs 2,000 crore. The Bill provides that the threshold would apply in cases where any enterprise, which is party to the transaction, has substantial business operations in India. Amendments suggested by the Committee add that the threshold would apply only when the enterprise being acquired has substantial business operations in India.

- **Time limit for approval of combinations:** The Act specifies that any combination shall not come into effect until the CCI has passed an order or 210 days have passed from the day when an application for approval was filed, whichever is earlier. The Bill reduced the time limit in the latter case to 150 days.

- **Anti-competitive agreements:** Under the Act, anti-competitive agreements include any agreement related to production, supply, storage, or control of goods or services, which can cause an appreciable adverse effect on competition in India. Any agreement between enterprises or persons, engaged in identical or similar businesses, will have such adverse effect on competition if it meets certain criteria. These include: (i) directly or indirectly determining purchase or sale prices, (ii) controlling production, supply, markets, or provision of services, or (iii) directly or indirectly leading to collusive bidding. The Bill provided that enterprises or persons not engaged in identical or similar businesses shall be presumed to be part of anti-competitive agreements, if they actively participate in the furtherance of such agreements. The amendments modified this to refer to enterprises that participate or intend to participate in such agreements.

For a PRS analysis of the bill, see [here](#). For a PRS summary of the standing committee report, please see [here](#).

**Supreme Court struck down certain provisions of Benami Property Transactions Act, 1988**

The Supreme Court struck down certain provisions of the Prohibition of Benami Property Transactions Act, 1988 in August 2022. Benami transactions include transactions where a property is held by or transferred to a person for which the consideration was paid by another person. The 1988 Act was amended in 2016. Prior to the 2016 amendment, the Act barred persons from entering into a benami transaction. It also provided for confiscation of benami properties and penalised benami transactions with imprisonment of up to three years or a fine or both. However, it exempted certain transactions such as purchase of property by a person in the name of his wife or unmarried daughter. The 2016 amendment removed this exemption, and retained the penalty. This was deemed to have been applicable for benami transactions entered into between 1988 and 2016. A different penalty was provided for persons entering into benami transactions after the 2016 amendment. The Court was examining whether the 2016 amendments could apply retrospectively.

The Court observed that the unamended Act was devoid of criminal intent on the part of the person entering into benami transactions. However, it criminalised the act of one person paying consideration for acquisition of property for another person. This created a harsh provision with a strict liability. Also, the criminal provision of the unamended Act along with confiscation proceedings were overly broad and operated without adequate safeguards in place. Thus, the criminal provisions and confiscation proceedings under the unamended Act were found to be unconstitutional. Similarly, the provision for retrospective punishment for benami transactions, as introduced by the 2016 amendment, was also held to be unconstitutional as it violated Article 20 (1) of the Constitution. The Article provides that no person shall be convicted for an offence if a law was not violated at the time of commission of the act. In the light of these observations, the Court ruled that criminal prosecution or confiscation proceedings for transactions prior to the 2016
amendment Act cannot continue and can only be applied prospectively.

**GST Council’s recommendations not binding on centre and states, observed Supreme Court**

In May 2022, the Supreme Court clarified that the recommendations of the GST Council are not binding on Parliament and state legislatures. The clarification was made when the Court was hearing an appeal against an order by the Gujarat High Court. In 2020, the High Court had ruled against the levy of Integrated Goods and Services Tax (IGST) on Indian importers on the ocean freight paid by the foreign seller to a foreign shipping line. This tax was levied on a reverse charge basis (the recipient of goods or services becomes liable to pay the tax, instead of the producer). On the contention of the central government that recommendations of the GST Council are binding on the legislature and executive, the Supreme Court noted that the GST Council can only make recommendations. According to the Court, the constitutional provision related to the GST Council does not suggest that these recommendations are binding. Parliament and state legislatures have ‘simultaneous power’ to legislate on GST. Hence making the recommendations binding would go against the idea of fiscal federalism.

With regards to the levy of IGST, the Supreme Court ruled that an Indian importer is liable to pay IGST on the composite (joint) supply of goods and transportation services. However, the Court said that a separate levy on the provision of transportation services is violative of the Central Goods and Services Tax Act, 2017.

**RBI issued pilots of Central Bank Digital Currency**

RBI issued pilot Central Bank Digital Currency (CBDC) for both wholesale (in November 2022) and retail segments (in December 2022). CBDC is a digital form of legal tender issued by a central bank. It will provide an additional option to the currently available forms of money. CBDC has been issued in two modes: (i) general purpose or retail (CBDC-R) and (ii) wholesale (CBDC-W). CBDC-R can be used by all private sector, non-financial consumers, and businesses. CBDC-W is designed for restricted access by financial institutions for improving the efficiency of inter-bank payments.

RBI launched the pilot of Digital Rupee for the wholesale segment with the participation of nine banks on November 2022. The Digital Rupee will be used for secondary market transactions in government securities. The pilot for the retail segment was launched in December 2022 with the participation of eight banks. The Digital Rupee can be used for person to person (P2P) or person to merchant (P2M) transactions.

**Virtual digital assets brought under the purview of prevention of money laundering**

In March 2023, the Ministry of Finance brought transactions involving virtual digital assets (such as cryptocurrencies) under the purview of the Prevention of Money-laundering Act, 2002. Following activities are covered: (i) exchange between virtual digital assets and fiat currencies, (ii) exchange between one or more forms of virtual digital assets, (iii) transfer of virtual digital assets, and (iv) safekeeping or administration of virtual digital assets or instruments giving control over such assets. Entities dealing in virtual digital assets (such as cryptocurrency exchanges) have to fulfil certain obligations such as: (i) verify the identity of its clients through Aadhaar or other valid documents, (ii) maintain record of all transactions, and (iii) undertake enhanced due diligence prior to commencement of specified transactions.

Under the Act, persons involved in concealing, possessing, or acquiring proceeds of crime and claiming it to be untainted property are guilty of money laundering. Money laundering is punishable with rigorous imprisonment of up to seven years and a fine.

**RBI allowed the linking of credit cards to UPI**

In June 2022, RBI allowed the linking of credit cards to Unified Payments Interface (UPI) for making payments. Initially, only RuPay credit cards were enabled with this facility. UPI formerly facilitated transactions by linking savings/current accounts through debit cards of users. The new facility is available after the completion of the required system development.

**UPI facility extended to international travellers**

In February 2023, RBI announced a facility to enable international travellers to make local payments using the Unified Payments Interface (UPI) while they are in India. Initially, the facility has been extended to travellers from G-20 countries (such as Italy, Japan, Mexico, Germany, US, and UK) arriving at select international airports. These include Bengaluru, Mumbai, and New Delhi.

Eligible travellers would be issued prepaid payment
instruments (PPI) wallets linked to UPI for making payments. Delegates from G20 countries can also avail this facility at various meeting venues. UPI linked wallets will initially be issued by certain banks such as ICICI Bank, IDFC First Bank and two non-bank PPI issuers, Pine Labs Private Limited and Transcorp International Limited.

Real time payments linkage between UPI and PayNow (Singapore’s fund transfer service) was also launched.²¹ UPI PayNow is an instant cross border person-to-person payment facility.

**RBI allowed international trade settlement in Indian rupees**

In July 2022, RBI allowed invoicing, payments and settlement of exports and imports in Indian rupees.²² This was done to: (i) promote global trade with emphasis on exports from India, and (ii) support the increasing interest of the global trading community in the Indian rupee. Before putting the new mechanism in place, authorised dealer banks had to seek approval from RBI. For invoicing under this arrangement, all exports and imports should be denominated and invoiced in rupees.

The exchange rate between currencies of two trading partners may be market determined.

**RBI announced measures to liberalise foreign exchange inflows**

In July 2022, RBI announced a series of measures to liberalise inflows of foreign exchange in India.²³ RBI noted that due to volatility in financial markets and a rise in demand for the US dollar, the currencies of emerging market economies were depreciating. Key measures include:

- **Exemption from statutory deposits:** Prior to July 2022, banks were required to include all foreign currency non-resident bank [FCNR(B)] and non-resident (external) rupee (NRE) deposits under net demand and time liabilities (NDTL). NDTL is used to calculate the proportion of deposits that banks have to maintain under the cash reserve ratio (CRR) and the statutory liquidity ratio (SLR). CRR is the amount of cash reserve that banks have to maintain with RBI. SLR is the amount of deposits that banks have to mandatorily invest in certain assets such as gold and government securities. RBI exempted incremental foreign currency deposits, that were mobilised from July 2022 up to November 2022 from CRR and SLR requirements.

- **Interest on deposits:** Earlier, interest rates on FCNR(B) deposits were subject to a ceiling which is determined based on a benchmark interest rate. Similarly, interest rates on NRE deposits could not be higher than those on domestic rupee term deposits. Between July 2022 and October 2022 banks’ interest rate changes related to FCNR(B) and NRE deposits were exempt from these regulations.

- **FPI investment in debt:** Investment channels for foreign portfolio investors (FPI) in government securities and corporate bonds include: (i) Medium Term Framework (MTF), and (ii) Fully Accessible Route (FAR). Under FAR, FPIs can invest in specified government securities without any investment ceilings. The current list of specified securities includes all central government securities with 5-year, 10-year, and 30-year tenor. RBI expanded this list to include all new government securities issued with tenures of seven years and 14 years. Under the MTF, for both corporate debt and government securities, a maximum of 30% FPI investment can be in instruments with residual maturity of less than a year. Investments made in government and corporate debt by FPIs were exempted from this limit up to October 2022.

**RBI notified overseas investment regulations**

In August 2022, RBI notified the Foreign Exchange Management (Overseas Investment) Regulations, 2022 under the Foreign Exchange Management Act, 1999.²⁴ It regulates debt investment by Indian entities in foreign entities. Key features were as follows:

- **Financial commitment by Indian entities:** An Indian entity may lend or invest in any debt instrument issued by a foreign entity if the Indian entity: (i) is eligible to make overseas direct investments (ODI), (ii) has made ODI in the foreign entity, and (iii) has acquired control in such foreign entity at the time of making the financial commitment. Loans given by the Indian entity should be backed by a loan agreement where the interest rate shall be charged on an arm’s length basis. Arm’s length basis means a transaction between two related parties that is conducted so that there is no conflict of interest.

- **Extending guarantees:** The Regulations allow certain guarantees to be extended by the Indian entity to the foreign entity or any of its subsidiaries where the Indian entity has acquired control. Such guarantees include: (i) corporate or performance guarantees by Indian entity, (ii) corporate or performance guarantees by a group company of the Indian entity, and (iii) bank guarantees issued by a bank in India.
• **Reporting requirements:** An Indian resident who has made ODI, financial commitment, or disinvestment in a foreign entity shall report certain details through designated banks. These include: (i) whether the financial commitment is reckoned towards the financial commitment limit, (ii) disinvestment transaction within 30 days of receiving disinvestment proceeds, and (iii) restructuring within 30 days from date of such restructuring.

**RBI revised regulatory framework for urban co-operative banks**

In December 2022, RBI revised the regulatory framework for urban co-operative banks.28,29 RBI introduced a four-tiered regulatory framework for urban co-operative banks (UCBs). Earlier, tier 1 UCBs included banks with a single branch or banks having multiple branches in a single district with deposits up to Rs 100 crore. All other UCBs were classified under tier 2.30 Details of the revised framework are:

<table>
<thead>
<tr>
<th>Category of Bank</th>
<th>Deposit Size</th>
<th>Minimum Net Worth</th>
<th>Capital Adequacy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier I UCBS</td>
<td>Unit UCBs and salary earners’ UCBs of any deposit size; other UCBs with deposits up to Rs 100 crore</td>
<td>Two crore rupees for UCBs in a single district; five crore rupees for other UCBs</td>
<td>9% of risk weighted assets</td>
</tr>
<tr>
<td>Tier II UCBS</td>
<td>More than Rs 100 crore and up to Rs 1,000 crore</td>
<td>Five crore rupees</td>
<td>12% of risk weighted assets</td>
</tr>
<tr>
<td>Tier III SCBs/DCCBs</td>
<td>More than Rs 1,000 crore and up to Rs 10,000 crore</td>
<td>Five crore rupees</td>
<td>12% of risk weighted assets</td>
</tr>
<tr>
<td>Tier IV SCBs/DCCBs</td>
<td>More than Rs 10,000 crore</td>
<td>Five crore rupees</td>
<td>12% of risk weighted assets</td>
</tr>
</tbody>
</table>

**Table 6: Revised housing loan limits per individual borrower (in Rs lakh)**

<table>
<thead>
<tr>
<th>Category of Bank</th>
<th>Existing Limit</th>
<th>Revised Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier I UCBS (banks with deposits below Rs 100 crore)</td>
<td>30</td>
<td>60</td>
</tr>
<tr>
<td>Tier II UCBS (banks with deposits above Rs 100 crore)</td>
<td>70</td>
<td>140</td>
</tr>
<tr>
<td>SCBs/DCCBs (net worth less than Rs 100 crore)</td>
<td>20</td>
<td>50</td>
</tr>
<tr>
<td>SCBs/DCCBs (net worth of Rs 100 crore or more)</td>
<td>30</td>
<td>75</td>
</tr>
</tbody>
</table>

Sources: Reserve Bank of India; PRS.

**RBI released guidelines on digital lending**

In September 2022, RBI released guidelines on digital lending.31 RBI had released the framework for the same in August 2022. The guidelines will be applicable for digital loans extended by regulated entities including commercial banks, urban co-operative banks, states co-operative banks, and non-banking financial companies. Key features include:

• **Disclosure to borrowers:** Regulated entities shall provide a key fact statement to borrowers before the loan contract is executed. The statement should be in a standardised format for all digital lending products. The statement shall include information on: (i) the annual percentage rate (as the all-inclusive cost of digital loans for the borrower), (ii) recovery mechanism, and (iii) grievance redressal officer. Any fees/charges not part of the statement cannot be charged by the regulated entities. Digital lending applications should prominently display information such as product features, loan limits, and costs.

• **Creditworthiness:** Regulated entities shall capture the economic profile of the borrowers before extending loans. There shall be no automatic increases in the credit limit without the explicit consent of the borrower for every such increase.
- **Data protection:** Any data collected by regulated entities should be need-based, with the prior consent of the borrower, and should have an audit trail. Digital lending applications should desist from accessing mobile phone data such as media, contact lists, and call logs. Explicit consent of the borrower shall be taken before sharing personal information with third parties except in cases where it is done according to statutory or regulatory requirements.

- **Grievance redressal:** Regulated entities shall ensure that they have a nodal grievance redressal officer to deal with digital lending related complaints. If a complaint lodged by a borrower is not resolved within 30 days, they can complain with the Reserve Bank-Integrated Ombudsman Scheme.

### RBI revised regulatory framework for asset reconstruction companies

In October 2022, RBI revised the regulatory framework for asset reconstruction companies (ARCs). ARCs take over distressed financial assets for their resolution. Key features of the revised framework include:

- **Governance:** The chair of the board of ARCs shall be an independent director. At least half of the directors attending board meetings shall also be independent directors. The managing director, chief executive officer, and whole-time directors shall be appointed for a maximum of five-years at a time. They may be re-appointed but an incumbent should not hold on to a post for more than 15 years continuously. Individuals cannot continue in these positions beyond the age of 70.

- **Committees of the board:** Board of ARCs will have to constitute: (i) an audit committee, and (ii) a nomination and remuneration committee. The audit committee will solely be comprised of non-executive directors. It will periodically review internal control systems for asset acquisition and reconstruction measures. The nomination and remuneration committee will discharge functions as specified in the Companies Act, 2013 including: (i) identifying persons qualified to become directors, (ii) evaluating the performance of directors, and (iii) policy related to remuneration for directors, and other employees.

- **ARCs as resolution applicants:** ARCs were not eligible to carry on any business, except securitisation, asset reconstruction, or any other business specified under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, without prior approval from RBI. The Resolution applicant is an entity that bids for the resolution of corporate insolvency. RBI has allowed ARCs to undertake the activities of a resolution applicant subject to certain conditions. These include: (i) ARCs should have a minimum net owned funds of Rs 1,000 crore, (ii) a board-approved policy will be required to be in place regarding the role of a resolution applicant, and (iii) ARCs will not retain significant control over the corporate debtor after five years of the approval of the resolution plan.

### Finance Ministry issued framework for sovereign green bonds

The Ministry of Finance issued the framework for sovereign green bonds in November 2022. Green bonds are used to raise funds for investment in environmentally sustainable and climate-suitable projects. Key features include:

- **Use of funds:** The proceeds raised from issuing green bonds will be used to finance/refinance expenditure for eligible green projects. Eligible category of projects include: (i) renewable energy (solar/wind/biomass/hydropower), (ii) clean transportation, (iii) climate change adaptation, (iv) sustainable water and waste management, and (v) pollution prevention and control.

- **Project selection and funding:** A Green Finance Working Committee will be set up by the Ministry of Finance to support it with selection and evaluation of projects. The Committee is also required to review the allocation of funds. It will be chaired by the Chief Economic Adviser and will meet at least twice a year. The Committee will also include representatives from other ministries such as the Ministry of Environment, Forest and Climate Change, Ministry of New and Renewable Energy, and Niti Aayog.

- **Reporting framework:** An annual report will be released to inform investors about the allocation of proceeds of the bonds. The report will include information on: (i) list of allocated proceeds and type of expenditure (tax, subsidies), (ii) description and status of projects financed, and (iii) expected impact of projects in quantitative indicators (such as indicating reduction in carbon intensity) on environmental indicators.
**SEBI reviewed guidelines on sustainable finance**

In December 2022, SEBI approved updated guidelines on green and blue bonds as a mode of sustainable finance. A discussion paper was released on the same in July 2022. Sustainable finance involves taking into account environmental, social, and governance (ESG) considerations while making investments in the financial sector. Key features are as follows:

- **Definition of green bonds**: Green bonds or green debt securities are regulated under the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021. These bonds are used to raise funds for certain projects including renewable energy, clean transportation, and climate change adaptation. The framework expands the scope of green bonds for financing other categories including: (i) reduction of air emissions, (ii) greenhouse gas control, (iii) waste recycling, and (iv) design and introduction of recyclable and refurbished products.

- **Utilisation of funds**: The former framework for green bonds or green debt securities did not mandate disclosure of utilisation of funds raised from each debt security issued. Under the revised framework, the utilisation of proceeds from each issue of green bonds or green debt securities shall be tracked and disclosed separately or on an aggregated basis for multiple green bonds.

**SEBI issued regulatory framework for social stock exchange**

In July 2022, the Securities and Exchange Board of India (SEBI) notified the regulatory framework for social stock exchange (SSE). Key features are:

- **Entities eligible to raise funds**: Non-profit and for-profit social enterprises can raise funds through SSE. A social enterprise should be engaged in specified activities which include: (i) eradicating hunger, poverty, malnutrition, and inequality, (ii) promoting education, employability, and livelihoods, (iii) promoting health care and making available safe drinking water, and (iv) promoting livelihoods for rural and urban poor. Such enterprises should target underserved or less privileged population segments or regions with lower performance in development priorities. Certain entities such as corporate foundations, political or religious organisations, and professional or trade associations are not eligible to be categorised as a social enterprise.

- **Instruments of fund raising**: Not-for-profit organisations may raise funds through: (i) issuing zero coupon zero principal instruments to institutional and non-institutional investors, and (ii) donations through mutual funds. Zero coupon zero principal instruments will have no coupon payment or principal repayment on their maturity. They will have a minimum issue size of one crore rupees. For-profit social enterprises can raise funds by: (i) issuing equity shares, and (ii) issuing debt securities.

**SEBI approved regulatory changes on OFS regulations, bond trading and disclosure requirements**

In September 2022, SEBI approved several regulatory changes. Key changes are as follows:

- **Offer for sale (OFS)**: Non-promoter shareholders, with at least 10% of the share capital of a company, were eligible to offer shares worth at least Rs 25 crore through the OFS mechanism. OFS involves the sale of shares in the stock market. SEBI removed the 10% shareholding limit for non-promoter shareholders. Further, it reduced the cooling-off period between two OFS issues from 12 weeks to a range of two weeks to 12 weeks based on the liquidity of securities of companies that are eligible.

- **Disclosures for initial public offer (IPO)**: SEBI mandated companies coming out with IPOs to disclose: (i) key performance indicators, and (ii) price per share of issuer based on past transactions and fundraising.

- **Issuers will also have an option to pre-file IPO offer documents with SEBI. This would allow issuers to carry out limited interaction with prospective investors without disclosing sensitive information. The pre-filing document with SEBI’s initial observations will be available for at least 21 days to better inform the decision-making process of the investor.**

- **Open offer for PSU disinvestment**: According to current regulations, the price of shares for open offers is determined based on the average market price of the shares for 60 trading days preceding the announcement of a company’s takeover. Open offer is made by an acquirer to the shareholders of the company being acquired. SEBI noted that disinvestment of public sector undertakings (PSUs) involves public announcements at various stages which impacts its share price. Hence, the framework for determination of price for open offer as outlined above was removed in case of PSUs.
Online bond platforms: SEBI also approved the proposal to regulate online bond platforms. Such platforms will have to register with SEBI as stock brokers under the debt segment of stock exchanges. SEBI had released a consultation paper on the same in July 2022.

Mutual funds brought under prohibition of insider trading regulations

In November 2022, SEBI amended the SEBI (Prohibition of Insider Trading) Regulations, 2015, to bring mutual funds under its framework.44,45 In July 2022, SEBI had released a consultation paper on the same. Mutual funds pool money from the people to invest in debt and equity instruments. Key features include the following:

Unpublished price sensitive information: No insider shall communicate or provide access to unpublished price sensitive information to any person, unless such communication is for the discharge of duties, legal obligations, or legitimate purposes. Insiders include: (i) any person associated with the mutual fund, asset management company, and trustees, (ii) key management personnel, (iii) banker of the mutual fund, (iv) an official of a stock exchange, or (v) any person in possession of unpublished price sensitive information related to a scheme. The board of directors of an asset management company shall make a policy to determine legitimate purposes for disclosing unpublished price sensitive information.

Designated person: The board of directors and trustees of an asset management company shall specify designated persons. These persons, based on their role and function in the organisation, will be covered by the code of conduct to prevent insider trading. These include: (i) head and directors of an asset management company, (ii) chief investment officer, (iii) chief operation officer, (iv) chief risk officer, and (v) research analysts.

Trading: Insiders in possession of unpublished price-sensitive information cannot trade in units of a mutual fund scheme which may have a material impact on the interests of the investors of the mutual fund scheme.

Mechanism to prevent insider trading: The chief executive officer/managing director of an asset management company shall put in place internal controls to ensure compliance with the insider trading regulations. These include: (i) identifying employees with access to unpublished price sensitive information as designated persons, (ii) maintaining confidentiality of unpublished price sensitive information, and (iii) conducting periodic reviews of internal controls.

SEBI approved regulations on mutual fund sponsorship

In March 2023, SEBI approved the revised regulatory framework for sponsors of a mutual fund. SEBI had released a discussion paper on the same in January 2022.46 A sponsor means any person who individually or in concert with another body corporate establishes a mutual fund. SEBI observed that once a mutual fund acquires a certain threshold of assets under management, the sponsor’s obligations towards the fund gradually reduce to insignificant activities. It expanded the entities who can act as mutual fund sponsors. Key changes include:

Eligible sponsors: The revised framework allows private equity funds/pooled investment funds (PE) to act as sponsors of mutual funds. SEBI noted that PE funds with significant capital can invest in technology, bring strategic guidance, and good talent. It was also noted that sponsors looking to exit from mutual fund business have not been able to find good offers from entities other than PE.

Alternate eligibility criteria: SEBI noted that certain entities such as PE may not qualify to become sponsors based on the current eligibility criteria. It allows alternate eligibility criteria for such entities. The criteria include: (i) sponsors should ensure that the net worth of the asset management company (AMC) is at least Rs 150 crore, (ii) the capital contributed by the sponsor should be locked-in for five years with the minimum sponsor stake at 40%, and (iii) the sponsor should appoint personnel to the AMC in a manner so that the combined experience of the chief executive officer, chief operating officer, chief regulatory officer and all the fund managers should be at least 30 years.

SEBI took various decisions at board meeting relating to ESG frameworks, stockbroker regulations and shareholder empowerment

SEBI held its board meeting in March, 2023.47 Key decisions taken are listed below.

ESG framework: A framework for Environmental, Social and Governance (ESG) disclosures by companies will be introduced. It will include the disclosure of certain key performance indicators and will apply to the top 150 companies by market capitalisation in 2023-24. The framework also includes
guidelines for funds focussed on ESG investing such as allocation limits and enhanced disclosures. SEBI had also released a discussion paper in February 2023 on an ESG framework.

- **Secondary market**: SEBI approved the framework for Application Supported by Blocked Amount (ASBA) facility for investors. This allows investors to block funds for trading in secondary market through UPI.

- **Regulation of stock brokers**: SEBI approved the creation of a framework for detection and prevention of fraud/market abuse by stock brokers. SEBI (Stock Brokers) Regulations, 1992 will be amended to provide for: (i) systems for surveillance of trading activities and internal controls, (ii) obligations of the stock broker and its employees, (iii) escalation and reporting mechanisms, and (iv) whistle blower policies. This framework will come into force from October 2023. SEBI has also decided to bring in a framework to regulate index providers that provide financial benchmarks for securities.

- **Shareholder Empowerment**: Amendments to the Listing Obligations and Disclosure Requirements to enhance disclosures were also approved. The amendments provide for stricter timelines for disclosure of material events. These include: (i) communicating decisions taken by the board of directors within 30 minutes of the end of the board meeting and (ii) verification/clarification of market rumours by top 100 listed entities (by market capitalisation) from October 2023. Furthermore, listed entities must fill the vacancies of directors, compliance officer, chief executive officer, and chief financial officer within three months from the date of vacancy. SEBI had released a discussion paper on the same in February 2023.

- **Grievance Redressal**: Guidelines on grievance redressal now allow for hybrid dispute resolution and extend the Market Infrastructure Institutions (MII) administered conciliation and arbitration mechanism to registered entities/intermediaries.

**IRDAI notified regulation for registration of Indian insurance companies**

In December 2022, the Insurance Regulatory and Development Authority of India (IRDAI) notified the IRDAI (Registration of Indian Insurance Companies) Regulations, 2022. The Regulations simplify the process of registration of Indian insurance companies and promote ease of doing business. They repealed the Insurance Regulatory and Development Authority (Registration of Indian Insurance Companies) Regulations, 2000, and the Insurance Regulatory and Development Authority (Transfer of Equity Shares of Insurance Companies) Regulations, 2015. Key features of the 2022 Regulations are as follows:

- **Permissible insurance business**: The Regulations prescribe certain classes of insurance business for which an application of registration must be made. These include: (i) life insurance, (ii) general insurance, (iii) health insurance, and (iv) reinsurance. An applicant shall not be eligible to apply for registration if: (i) the registration application has been rejected by IRDAI or withdrawn by the applicant during the last two financial years, (ii) the certificate of registration has been cancelled by IRDAI during the last two financial years, or (iii) the name of the applicant does not contain the words insurance, assurance, or reinsurance.

- **Foreign investment**: If an Indian insurance company has foreign investment, a majority of its directors and key management persons and at least one among its chairperson, managing director, or chief executive officer must be resident Indian citizens. If the foreign investment exceeds 49%, at least 50% of the net profit shall be retained in a general reserve. This must be done in a financial year when dividend is paid on equity shares or the solvency margin (excess of assets over liabilities) is less than 1.2 times the control level of solvency (prescribed by IRDAI). For insurance companies with more than 49% foreign investment, at least half of the board must have independent directors. In case the chairman is an independent director, then at least one-third of the remaining directors must be independent.

**Draft guidelines for group health insurance products were released**

In April 2022, IRDAI released draft guidelines for group health insurance products. IRDAI noted that if operated prudently, group health insurance offers the advantage of beneficial coverage at moderate cost. The draft guidelines were notified under the IRDAI (Health Insurance) Regulations, 2016. The proposed guidelines will supersede the existing set guidelines (issued in different circulars) regarding group health insurance. Key features of the guidelines are as follows:
- **Group formation**: Every group health insurance product must specify the minimum group size for offering the group health insurance policy. The guidelines specify that a group must not be formed with the main purpose of availing insurance. Further, a group cannot be formed after negotiating prices for group insurance.

- **Restriction on products**: Insurers are prohibited from offering any indemnity/benefit based credit-linked products for group health insurance. However, such policies may be issued for coverage of accidental health and disability, under personal accident insurance policies. Existing credit-linked group health products should be withdrawn before a specified date.

- **Pricing**: Pricing must be on sound actuarial principles, considering aspects like morbidity experience (by gender, age, occupation, group size), expenses, terminations, and profit margin. Insurers must review the group insurance policies every year.

**Exposure limit of insurers to financial activities increased from 25% to 30%**

In April 2022, the Insurance Regulatory and Development Authority of India (IRDAI) increased the permitted exposure limit of insurers to financial and investment assets from 25% to 30%. The amendment was notified under the provisions of the IRDAI (Investment) Regulations, 2016. The 2016 Regulations prescribe investment norms for: (i) life insurance, (ii) pension annuity and group business, (iii) general insurance, (iv) re-insurance, and (v) health insurance providers.

**Income tax payers excluded from joining Atal Pension Yojana**

In August 2022, the Ministry of Finance excluded citizens who are or have been income tax payers from joining the Atal Pension Yojana (APY) from October 1, 2022. APY was launched with effect from June 2015 to provide social security for the poor, under-privileged, and workers in the unorganised sector. It is a voluntary and periodic contribution-based pension system. APY was open to all Indian citizens who had a savings bank account between the age of 18 years and 40 years. In case subscribers joining on or after October 1, 2022 are found to be income tax payers, their account shall be closed and the accumulated pension funds will be transferred to them.

**Cabinet approved changes in disinvestment process and closure of subsidiaries of PSEs**

In May 2022, the Union Cabinet approved changes in the process for disinvestment and closure of subsidiaries and joint ventures of central public sector enterprises (CPSEs). The board of directors of CPSEs have been empowered to recommend and undertake these activities. Earlier, boards did not have powers to do so and required Cabinet’s approval, except in case of minority stake sales by Maharashtra CPSEs.

Under the new mechanism, a Group of Ministers accords in-principle approval and reviews the disinvestment process. The group comprises the Finance Minister, the Road Transport and Highways Minister, and the Minister of the department with administrative control of the respective CPSE. In-principle approval is not required for minority stake sale in subsidiaries by Maharashtra CPSEs.

Strategic disinvestment or closure of units undertaken by CPSEs has to be based on competitive bidding. The guidelines for strategic disinvestment will be specified by the Department of Investment and Public Asset Management, while the guidelines for closure will be specified by the Department of Public Enterprises.

**Scheme for project development expenses of PPP projects notified**

In November 2022, the Ministry of Finance notified the Scheme for Financial Support for Project Development Expenses of PPP (public private partnership) Projects. The Ministry noted that quality infrastructure is critical for economic development. The central government is encouraging PPPs for execution and operation of infrastructure projects. The success of a PPP project depends on a financially viable, well-structured project. However, the costs of engaging transaction advisors are significant and often pose a burden on the project sponsoring authority. To address this, the India Infrastructure Project Development Fund will be used to cover transaction costs of PPP projects. The fund has been restructured as a central sector scheme with an outlay of Rs 150 crore for three-years from 2022-23 to 2024-25. It was initially set up under the Department of Economic Affairs to support the development of PPP projects with a corpus of Rs 100 crore.

A maximum amount of five crore rupees for a single proposal can be given under the scheme. This can be used to fund the costs of engaging consultants/transaction advisors for PPP projects wherein they are engaged in a transparent manner.
The consultant helps in identification and allocation of project risks. An approval committee, chaired by a Joint Secretary in the Department of Economic Affairs, will administer the scheme.

Corporate Affairs
The CA, CWA, and CS (Amendment) Bill, 2021 passed by Parliament

In April 2022, the Chartered Accountants, the Cost and Works Accountants, and the Company Secretaries (Amendment) Bill, 2021 was passed by Parliament. The Bill amended the Chartered Accountants Act, 1949, the Cost and Works Accountants Act, 1959, and the Company Secretaries Act, 1980. The three Acts provide for the regulation of the professions of chartered accountants, cost accountants, and company secretaries, respectively. The Bill amended the disciplinary mechanism under these Acts, and provided for time-bound disposal of cases against members of these professions. Key features of the Bills include the following:

- **Registration of firms**: Under the Acts, members of these professions are required to register with the respective Institutes. As per the Bill, firms are also required to register with the Institute by making an application to the respective Councils of the Institutes. The Councils must maintain a register of firms containing details such as the pendency of any actionable complaint or imposition of penalty against the firms.

- **Disciplinary Directorate**: Under the Acts, the respective Councils of the three Institutes must each constitute a Disciplinary Directorate, headed by the Director (Discipline), who is an officer of the Institute. The Bill added that each of the Directorates must also include at least two Joint Directors.

- **Investigating complaints**: Under the Acts, on receiving a complaint, the Director arrives at a prima facie opinion on the alleged misconduct. Depending on the misconduct, the Director places the matter before the Board of Discipline or the Disciplinary Committee. The Bill amended this to empower the Directorate to independently initiate investigations against members or firms. The Director must decide whether a complaint is actionable within 30 days of receiving such complaint. If the complaint is actionable, the Director must submit a preliminary examination report to the Board or the Committee (as the case may be), within 30 days. Under the Acts, a complaint could be withdrawn if permitted by the Board or Committee. The Bill provided that a complaint filed with the Directorate will not be withdrawn under any circumstances.

For more details on the Bill, see [here](#).

Thresholds for classification of small companies under Companies Act revised

In September 2022, the Ministry of Corporate Affairs amended the Companies (Specification of Definitions Details) Rules, 2014 to increase the threshold for the classification of small companies. The Rules were issued under the Companies Act, 2013. The Act provides the framework for regulation of companies. As per the 2022 amendment, a company with a paid-up capital of up to four crore rupees and turnover of up to Rs 40 crore is classified as a small company. Earlier, the paid-up capital threshold was two crore rupees and the turnover threshold was Rs 20 crore.

Draft amendments to IBC released

In January 2023, the Ministry of Corporate Affairs released the draft amendments to the Insolvency and Bankruptcy Code (IBC), 2016 for public feedback. IBC provides a framework for time-bound resolution of insolvency among companies as well as individuals. Key amendments proposed are as follows:

- **Pre-packaged Insolvency Resolution Process (PIRP)**: Currently, MSMEs are eligible to apply for insolvency resolution under PIRP, which allows for a faster resolution within 120 days. A proposal to initiate PIRP must be approved by 66% of the financial creditors (by the value of debt). The draft amendments expand the applicability of the framework to cover other categories of corporate debtors, which will be prescribed. They propose to reduce the threshold of approval to 51% for faster decision-making.

- **Real estate insolvency cases**: For the resolution of real estate insolvency cases, the allottees in a real estate project are treated as financial creditors. However, unlike other creditors, allottees prefer possession of the property over repayment of their advances. Certain cases have also been observed where insolvency proceedings have been started against the entire company due to default in one project. The draft amendments propose that in real estate insolvency cases, the adjudicating authority would have the discretion to apply the resolution process only to those projects which are in default.
- **Multiple resolution plans for corporate debtors:** During the corporate insolvency resolution process, the committee of creditors can approve only one resolution plan. The Ministry noted that sometimes, finding one resolution applicant to take over the corporate debtor in its entirety is difficult. The draft amendments propose to empower the committee of creditors to approve more than one resolution plan for the individual or collective assets of the corporate debtor. At least one of the approved plans must provide for the resolution of the corporate debtor as a going concern.

- **Distribution of proceeds:** The Ministry observed that many disputes are raised related to distribution of proceeds between creditors. The draft amendments propose that creditors will receive proceeds up to the liquidation value for their claims. Any surplus over the liquidation value will then be distributed between all the creditors in ratio of their unsatisfied claims.

## Commerce and Industry

**Jan Vishwas (Amendment of Provisions) Bill, 2022 introduced; Committee tabled report**

The Jan Vishwas (Amendment of Provisions) Bill, 2022, was introduced in Lok Sabha in December 2022. It amends 42 Acts to reduce the compliance burden on individuals and businesses and ensure ease of doing business. Some Acts that are amended by the Bill include: the Indian Post Office Act, 1898, the Environment Act, 1986, and the Information Technology Act, 2000. The Bill was referred to a Joint Parliamentary Committee (Chair: Mr P. P. Chaudhary). The committee presented its findings in March 2023. Key provisions of the Bill are:

- **Decriminalising certain offences:** Under the Bill, several offences with an imprisonment term in certain Acts have been decriminalised by imposing only a monetary penalty. The Committee recommended amendments to the severity of some penalties. For example, under the Pharmacy Act, 1948, falsely pretending to be in a state register of pharmacists is currently punishable with a fine of up to five hundred rupees for the first offence, which the Bill increases to Rs 50,000. The committee recommended enhancing this penalty to one lakh rupees.

- **Revision of fines and penalties:** The Bill increases the fines and penalties for various offences in the specified Acts. Further, these fines and penalties will be increased by 10% of the minimum amount every three years.

- **Adjudication of Penalties:** The Bill provides for the central government to appoint adjudicating officers to decide and impose penalties. For some laws which do not provide for adjudicating officers, the Committee recommended amendments that do so. For example, the Committee recommended that the District Magistrate be the designated Adjudicating Officer under the Boilers Act, 1923. In addition, the Committee recommended amendments which allow the central government to appoint an appellate authority for decisions of adjudicating officer.

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

### Foreign Trade Policy, 2023 Released

The Foreign Trade Policy (FTP) 2023 was released in March 2023 and has been in effect since April 1, 2023. The new policy replaced the Foreign Trade Policy 2015-20, which was extended till March 31, 2023. The key highlights of the 2023 policy are:

- **Towns of Export Excellence (TEE):** The FTP has designated Faridabad, Mirzapur, Moradabad, and Varanasi as four new towns of export excellence (43 total). These towns must produce goods of at least Rs 750 crore (Rs 150 crore if production happens in handloom, handicraft, agriculture and fisheries) based on potential for growth in exports. Recognised associations in TEE are provided with assistance under the Market Access Initiative (MAI) scheme on a priority basis. The MAI Scheme is an export promotion scheme to target products to specific markets. Assistance is provided to access new markets or to increase the existing market share. Activities include: (i) marketing projects abroad, (ii) capacity building, and (iii) achieving statutory compliances.

- **Export Promotion Capital Goods Scheme:** The EPCG scheme allows for the import of capital goods for pre-production, production and post production without paying customs duty. Capital goods imported under the EPCG scheme for physical exports are exempt from IGST and Compensation Cess. Exporters have to fulfil certain export obligations if they avail this scheme. The government has exempted the dairy sector from maintaining the average export obligation. Various products classified
as green technology such as: (i) battery electric vehicles, (ii) green hydrogen, and (iii) vertical farming equipment, are eligible for a reduced export obligation.

- **E-Commerce Exports**: The government increased the value of a single consignment that can be exported via courier from five lakh rupees to Rs 10 lakh. To promote e-commerce exports, the Niryat Bandhu Scheme (NBS) has a provision for the promotion of e-commerce. The NBS is aimed at mentoring new and potential exporters on foreign trade. The government also aims to designate certain areas as E-Commerce Export hubs (ECEH). The ECEH can provide for storage, packaging, labelling, certification, and other facilities. It can also provide dedicated logistics infrastructure for connecting to nearest logistics hubs.

### National Logistics Policy, 2022 notified

In September 2022, the Department for Promotion of Industry and Internal Trade notified the National Logistics Policy, 2022. It provides a framework for the development of the logistics ecosystem. Logistics include the transportation and handling of goods, storage, value addition, and allied services. Key features of the Policy include:

- **Targets**: The Policy aims to achieve the following targets: (i) reduce Indian logistics costs to comparable global benchmarks by 2030, (ii) improve India’s ranking in the Logistics Performance Index to be among the top 25 countries by 2030, and (iii) create a data-driven decision support mechanism.

- **Reduction in logistics cost**: Logistics costs are planned to be reduced by improving efficiency in transport, warehousing, inventory management, and regulatory matters. Improvement in transport is envisaged through: (i) incremental efficiency through multimodal infrastructure and (ii) sectoral plans for efficient logistics. The policy seeks to develop warehouses with optimal spatial planning and facilitate private investment. Inventory management is sought to be improved through reliable supply chains by promoting digitalisation.

- **Monitoring and coordination**: An Empowered Group of Secretaries set up under the PM GatiShakti National Master Plan will monitor the implementation of the National Logistics Policy. The Empowered Group has set up a Services Improvement Group for monitoring improvements in processes, regulation, and digitisation in logistics sector.

### Credit guarantee scheme for startups notified

In October 2022, the Department for Promotion of Industry and Internal Trade (DPIIT) notified the Credit Guarantee Scheme for Startups. The scheme provides guarantee cover to loans extended to eligible startups by financial institutions such as banks and non-banking finance companies. It aims to facilitate collateral-free loans to startups. Key features include the following:

- **Eligible borrowers**: For borrowing under the scheme, startups should meet certain conditions. Startups should: (i) be recognised by DPIIT, (ii) have reached a stable revenue stream, and (iii) not be in default to any lending/investing entity and not be classified as a non-performing asset.

- **Guarantee cover**: Loans under the scheme may be provided under two frameworks: (i) transaction-based guarantee cover and (ii) umbrella-based guarantee cover. Transaction-based guarantee cover will be obtained by financial institutions on single eligible borrower basis. Umbrella-based guarantee cover will be provided to venture debt funds registered with the Securities and Exchange Board of India (SEBI). A maximum guarantee of up to Rs 10 crore per borrower may be provided under the frameworks.

- **Oversight mechanism**: The scheme is operated by the National Credit Guarantee Trustee Company Limited (NCGTC). DPIIT will constitute a management committee and a risk evaluation committee. The management committee will oversee the affairs of the scheme. It will be empowered to review the performance of the scheme and revise its parameters including the extent of guarantee coverage. The risk evaluation committee will assess the overall risk parameters of the scheme including conflict of interest.

### Revised guidelines for the Micro and Small Enterprises Cluster Development Programme released

In May 2022, the Ministry of Micro, Small and Medium Enterprises released the revised guidelines for the Micro and Small Enterprises Cluster Development Programme (MSE-CDP). These guidelines replace guidelines issued in 2019 with respect to two components of the scheme: (i) common facility centre, and (ii) infrastructure development. The programme provides financial support for undertaking cluster development projects. A cluster is a group of enterprises located within an identifiable area which can be linked...
together by common facilities, to help address common challenges. Key features of the revised guidelines are as follows:

- **Financial support**: The programme funds a percentage of the cost of projects for: (i) establishing common facility centres (such as those for testing, training, and storage) and (ii) developing infrastructural facilities (such as power distribution, road, water supply, and communication) in new or existing industrial areas or clusters. The eligibility and extent of support was revised as shown in Table 7.

<table>
<thead>
<tr>
<th>Project Type</th>
<th>2019 guidelines</th>
<th>2022 guidelines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Facility Centre</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eligible Project Cost for Support</td>
<td>Up to Rs 20 crore</td>
<td>Rs 5-10 crore</td>
</tr>
<tr>
<td>Funding (as % of project cost)</td>
<td>70%</td>
<td>70%</td>
</tr>
<tr>
<td>Eligible Project Cost for Support</td>
<td>Rs 10-30 crore</td>
<td>60%</td>
</tr>
<tr>
<td>New Industrial/Factory Complex</td>
<td>Up to Rs 15 crore</td>
<td>Rs 5-15 crore</td>
</tr>
<tr>
<td>Funding (as % of project cost)</td>
<td>60%</td>
<td>60%</td>
</tr>
<tr>
<td>Upgraded Industrial/Factory Complex</td>
<td>Based on requirements, on a case-to-case basis</td>
<td>Rs 5-10 crore</td>
</tr>
<tr>
<td>Funding (as % of project cost)</td>
<td>50%</td>
<td></td>
</tr>
</tbody>
</table>

Note: As per revised guidelines, in cases of north-eastern and hill states, island territories, and aspirational districts, the grant will be 10% higher.

Sources: Ministry of MSME; PRS.

- **Approval process**: A state-level steering committee recommends projects to be considered for support. The projects recommended by the state-level committee are placed before the National Project Approval Committee for approval.

- **Timeline for completion**: A project funded under the programme must be completed within 18 months from the date of approval.

### Prime Minister’s Employment Generation Programme to continue during 2021-26

In May 2022, the Ministry of Micro, Small and Medium Enterprises (MSME) announced the continuation of Prime Minister’s Employment Generation Programme (PMEGP) for the 2021-26 period.\(^{82}\) PMEGP was launched in 2008-09 to facilitate generation of employment opportunities for unemployed youth across the country by assisting setting up of micro-enterprises in the non-farm sector. The Ministry noted that since the programme was launched, around 7.8 lakh micro enterprises have been assisted with subsidy of Rs 19,995 crore. The programme has generated an estimated employment for around 64 lakh persons. The scheme is being implemented between 2021 and 2026 with the following key changes:

- **Eligible projects**: The maximum project cost eligible for support under the programme has been increased from Rs 25 lakh to Rs 50 lakh for manufacturing units. For service units, it has been raised from Rs 10 lakh to Rs 20 lakh.

- **Definition of rural areas**: The definitions of rural areas have been modified. Under the previous guidelines, any area classified as a village as per the revenue record of the state, irrespective of the population, was considered a rural area. As per the new guidelines, areas falling under the jurisdiction of Panchayati Raj Institutions are now considered rural areas.

- **Higher subsidy for certain categories**: PMEGP applicants under aspirational districts and transgenders are treated as special category applicants, and they will be entitled for higher subsidy (10% higher in urban and rural areas).

The total estimated outlay under the scheme for the 2021-26 period is Rs 13,554 crore. For the year 2023-24, Rs 2,700 crore has been allocated towards the scheme.\(^{83}\)

### Consumer Affairs

**Consumer Protection Authority prohibited compulsory levying of service charge; Delhi HC stayed the guidelines**

In July 2022, the Central Consumer Protection Authority (CCPA) issued guidelines prohibiting restaurants and hotels from automatically adding service charge to the bill.\(^{84}\) The CCPA observed that a tip or gratuity is given at the discretion of the consumer. It also noted that the component of service is included in the price of food and beverages offered i.e., pricing of the product covers the goods and services component. There is no restriction on hotels and restaurants to set the prices of food and beverages. According to CCPA, charging anything other than the said price of the product, along with applicable taxes, amounts to unfair trade practices under the Consumer Protection Act, 2019.\(^{85}\) The Act defines unfair trade practice as adopting an unfair method or deceptive practice for promoting the sale, use, or supply of goods or services.\(^{85}\) If service charge is levied or the consumer is coerced into paying it, a complaint may be filed to the National Consumer Helpline or Consumer Commission.

In July 2022, the Delhi High Court stayed the
change from the offer to the delivery stage to the detriment of the consumer.

Guidelines for prevention of misleading advertisements issued

In June 2022, the Central Consumer Protection Authority issued the Guidelines for Misleading Advertisements and Endorsements for Misleading Advertisements, 2022. The Guidelines were issued under the Consumer Protection Act, 2019. The Act defines misleading advertisements as those that: (i) falsely describe products or services, (ii) are likely to mislead about the nature, quantity or quality of the products, (iii) constitute unfair trade practice, and (iv) deliberately conceal important information. Key features of the 2022 Guidelines are as follows:

- **Valid advertisements:** For an advertisement to be valid, it must: (i) contain truthful and honest representation, (ii) not mislead consumers by exaggerating the accuracy, scientific validity or performance of the product, (iii) not present the claims in the advertisement as universally accepted if there is a division of informed or scientific opinion, and (iv) not mislead consumers about the risk to security if they fail to purchase a product.

- **Prohibition on surrogate advertising:** The Guidelines prohibit surrogate advertising. These are advertisements for products whose advertising is restricted or prohibited by law. The advertisements are portrayed as being targeted at other products, to bypass advertising restrictions.

- **Conditions for bait advertisements:** These include advertisements which offer products for sale at low prices to attract consumers. For such advertisements, there must: (i) exist a reasonable prospect of selling the product at the advertised price, (ii) be an adequate supply of the product to meet the foreseeable demand generated by the advertisement, and (iii) not mislead consumers about the market conditions of the product.

- **Conditions for free claim advertisements:** An advertisement must not describe any good or service as being free if: (i) payable cost constitutes costs other than for responding to the advertisement or delivery, and (ii) the conditions regarding quality or quantity would

Media and Broadcasting

**FM radio policy guidelines were amended**

In October 2022, the Ministry of Information and Broadcasting notified certain amendments to the Policy Guidelines on ‘Expansion of FM Radio Broadcasting Services through Private Agencies (Phase-III).’ Key changes include:

- **Cap on share in total channels:** Earlier, the guidelines provided that a service provider could not hold more than 15% of the total channels allotted in the country. This cap was removed.

- **Eligibility for running FM channel:** Earlier, for bidding for category C and D cities, the minimum net worth requirement was Rs 1.5 crore. This was lowered to one crore rupees. Category C and D cities are those with the population in the range of 3-10 lakh and 1-3 lakh, respectively.

- **Restructuring of companies:** Under the guidelines, prior approval from the Ministry of Information and Broadcasting is required for restructuring of FM radio permissions between holding companies or subsidiaries of the same management. Earlier, restructuring was permitted only if it was done within three years from the date on which all of the allotted channels became operational. This time limit was removed.

**Guidelines for uplinking and downlinking of satellite TV channels were notified**

In November 2022, the Ministry of Information and Broadcasting notified the ‘Guidelines for Uplinking and Downlinking of Satellite Television Channels in India, 2022.’ The 2022 guidelines replaced the earlier guidelines issued in 2011. Key features of the 2022 guidelines are:

- **Requirement for permission:** An entity must seek permission from the Ministry for: (i) uplinking a satellite TV channel (transmitting content to a satellite), (ii) downlinking a satellite TV channel (receiving content from a satellite), and (iii) setting up a teleport/teleport hub (earth station facility where multiple TV channels can be uplinked to a satellite). The entity must meet a specified minimum net worth criterion, which ranges between one crore rupees and Rs 20 crore (for different
Features of the guidelines referred to as platform exclusive local channels to their subscribers, to transmit their own programming service or Rules, 1994, multisystems. Under the Cable Television Networks (MSOs) are operators System Operators.In November 2022, tv multi
Guidelines for platform services • Annual Policy Review: April 202
providing local news and current affairs required for offering platform services. MSOs registration of 1,000 per channel must register its platform service channel with the central government may issue a general advisory to channels for the telecast of content in the national interest, and the channel must undertake public service broadcasting for a minimum of 30 minutes a day on themes of national importance and social relevance including content on health, education, science and technology, national integration, and protection of the environment.

Guidelines for platform services offered by multi-system operators were notified
In November 2022, the Ministry of Information and Broadcasting notified the ‘Guidelines for Regulation of Platform Services offered by Multi-System Operators’. Multi-System operators (MSOs) are operators of multiple cable television systems. Under the Cable Television Networks Rules, 1994, multi-system operators are permitted to transmit their own programming service or exclusive local channels to their subscribers, referred to as platform service channels. The guidelines sought to regulate such services. Key features of the guidelines are as follows:

• Registration of channel: An MSO must register its platform service channel with the Ministry. A one-time registration fee of Rs 1,000 per channel is applicable. The validity of registration is co-terminus with the registration of the MSO. Security clearance is required for offering platform services. MSOs providing local news and current affairs content over platform service must be incorporated as a company under the Companies Act, 2013. A platform service channel cannot be shared with other operators, either directly or indirectly.

• Cap on number of channels: Total number of permitted platform service channels per MSO are capped at 5% of the total channel carrying capacity of that MSO.

• Content regulation: Platform service channels must comply with the Programme and Advertising Code under the Cable Television Networks (Regulation) Act, 1995. Content transmitted must be kept for 90 days, and a written log must be maintained about the program for a period of one year from the date of the broadcast.

• Timeline for compliance: The MSOs are required to comply within 12 months from the date of issuance of the guidelines.

Cabinet approved scheme to upgrade broadcasting infrastructure and network development of Prasar Bharati
In January 2023, the Union Cabinet approved the Broadcasting Infrastructure and Network Development scheme for infrastructure development of Prasar Bharati. Prasar Bharati is a public broadcaster operating several networks such as Doordarshan and All India Radio. The scheme seeks to enable Prasar Bharati to provide high quality content, expand coverage, and increase its channels. The scheme will provide support for expanding and upgrading its broadcasting infrastructure, content development, and civil works. Further, the scheme will fund distribution of over eight lakh Doordarshan dish set top boxes to people living in remote, tribal, left-wing extremism, border areas, and aspirational districts (under developed districts). The total expected outlay under the scheme is Rs 2,540 crore (up to 2025-26).

Report of the Task Force on the promotion of the Animation, Visual Effects, Gaming and Comics (AVGC) sector released
In December 2022, the Ministry of Information and Broadcasting released the report of the Animation, Visual Effects, Gaming, and Comics (AVGC) Promotion Task Force. The task force was chaired by the Secretary of the Ministry of Information and Broadcasting. Key recommendations of the Task Force include:

• National Policy: National and state policies for the promotion of the sector should be
Agriculture

Interest subvention of 1.5% per annum on short term agriculture loans approved

In August 2022, the Union Cabinet approved the restoration of 1.5% interest subvention for providing short term agricultural loans up to three lakh rupees. The interest subvention is provided to lending institutions from 2022-23 to 2024-25 for giving short-term agriculture loans. An additional budgetary provision of Rs 34,856 crore is required for the scheme. The central government decided to restore the scheme due to an increase in the interest rates for financial institutions.

Cabinet approved minimum support prices for Rabi and Kharif crops

In June 2022, the Cabinet Committee on Economic Affairs approved the Minimum Support Prices (MSPs) for Kharif crops for the 2022-23 marketing season. MSP for Rabi Crops for the 2023-24 marketing season was approved in October 2022.

MSP for Rabi crops

The MSP for wheat was fixed at Rs 2,125 per quintal, an increase of 5.5% over the previous year’s MSP (Rs 2,015 per quintal). Table 8 shows the MSPs notified for the marketing season 2023-24, compared to MSPs for 2022-23.

Table 8: MSPs approved for Rabi crops for the 2023-24 season (in Rs per quintal)

<table>
<thead>
<tr>
<th>Crop</th>
<th>2022-23</th>
<th>2023-24</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>2,015</td>
<td>2,125</td>
<td>5.5%</td>
</tr>
<tr>
<td>Barley</td>
<td>1,635</td>
<td>1,735</td>
<td>6.1%</td>
</tr>
<tr>
<td>Gram</td>
<td>5,230</td>
<td>5,335</td>
<td>2.0%</td>
</tr>
<tr>
<td>Lentil (Masur)</td>
<td>5,500</td>
<td>6,000</td>
<td>9.1%</td>
</tr>
<tr>
<td>Rapeseed and Mustard</td>
<td>5,050</td>
<td>5,450</td>
<td>7.9%</td>
</tr>
<tr>
<td>Safflower</td>
<td>5,441</td>
<td>5,650</td>
<td>3.8%</td>
</tr>
</tbody>
</table>

Sources: Press Information Bureau; PRS.

MSP for Kharif crops

MSP for paddy was fixed at Rs 2,040 per quintal, an increase of 5.2% over the previous year’s MSP (Rs 1,940 per quintal). Table 9 below shows the MSPs notified for the marketing season 2022-23, compared to MSPs for 2021-22.

Table 9: MSPs approved for Kharif crops for the 2022-23 season (in Rs per quintal)

<table>
<thead>
<tr>
<th>Crop</th>
<th>2021-22</th>
<th>2022-23</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paddy (Common)</td>
<td>1,940</td>
<td>2,040</td>
<td>5.2%</td>
</tr>
<tr>
<td>Paddy (Grade A)</td>
<td>1,960</td>
<td>2,060</td>
<td>5.1%</td>
</tr>
<tr>
<td>Jowar (Hybrid)</td>
<td>2,738</td>
<td>2,970</td>
<td>8.5%</td>
</tr>
<tr>
<td>Jowar (Maldandi)</td>
<td>2,758</td>
<td>2,990</td>
<td>8.4%</td>
</tr>
<tr>
<td>Bajra</td>
<td>2,250</td>
<td>2,350</td>
<td>4.4%</td>
</tr>
<tr>
<td>Ragi</td>
<td>3,377</td>
<td>3,578</td>
<td>6.0%</td>
</tr>
<tr>
<td>Maize</td>
<td>1,870</td>
<td>1,962</td>
<td>4.9%</td>
</tr>
<tr>
<td>Tur (Arhar)</td>
<td>6,300</td>
<td>6,600</td>
<td>4.8%</td>
</tr>
<tr>
<td>Moong</td>
<td>7,275</td>
<td>7,755</td>
<td>6.6%</td>
</tr>
<tr>
<td>Urad</td>
<td>6,300</td>
<td>6,600</td>
<td>4.8%</td>
</tr>
<tr>
<td>Groundnut</td>
<td>5,550</td>
<td>5,850</td>
<td>5.4%</td>
</tr>
<tr>
<td>Sunflower Seed</td>
<td>6,015</td>
<td>6,400</td>
<td>6.4%</td>
</tr>
<tr>
<td>Soyabean (yellow)</td>
<td>3,950</td>
<td>4,300</td>
<td>8.9%</td>
</tr>
<tr>
<td>Sesamum</td>
<td>7,307</td>
<td>7,830</td>
<td>7.2%</td>
</tr>
<tr>
<td>Nigerseed</td>
<td>6,930</td>
<td>7,287</td>
<td>5.2%</td>
</tr>
<tr>
<td>Cotton (Medium Staple)</td>
<td>5,726</td>
<td>6,080</td>
<td>6.2%</td>
</tr>
<tr>
<td>Cotton (Long Staple)</td>
<td>6,025</td>
<td>6,380</td>
<td>5.9%</td>
</tr>
</tbody>
</table>

Sources: Press Information Bureau; PRS.
**FRP of sugarcane fixed at Rs 305 per quintal**

In August 2022, the Cabinet Committee on Economic Affairs approved the Fair and Remunerative Price (FRP) of sugarcane at Rs. 305 per quintal for a basic recovery rate of 10.25% for 2022-23 sugar season (October-September).\(^{105}\) FRP is the price declared by the central government that mills pay to farmers for the cane procured. Recovery rate is the ratio between sugar produced and cane crushed. FRP for the 2021-22 sugar season was Rs 290 per quintal for a basic recovery rate of 10%.\(^{106}\)

**Cabinet approved subsidy for nutrient-based fertilisers for Rabi season 2022-23**

In November 2022, the Union Cabinet approved the rates for nutrient-based fertiliser subsidies.\(^{107}\) The total outlay for the subsidy was Rs 51,875 crore for the rabi season 2022-23, i.e., from October 1, 2022 to March 31, 2023.

**Table 10: Nutrient-wise fertilizer subsidy for Rabi season (October-March, in Rs/kg)**

<table>
<thead>
<tr>
<th>Nutrient</th>
<th>Subsidy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021-22</td>
</tr>
<tr>
<td>Nitrogen</td>
<td>18.79</td>
</tr>
<tr>
<td>Phosphorous</td>
<td>45.32</td>
</tr>
<tr>
<td>Potash</td>
<td>10.11</td>
</tr>
<tr>
<td>Sulphur</td>
<td>2.37</td>
</tr>
</tbody>
</table>

Sources: Ministry of Chemicals and Fertilizers; PRS.
Key features of the Bill

- **Obligation to use non-fossil sources of energy:** The Act empowers the central government to specify energy consumption standards. The Bill added that the government may require the designated consumers to meet a minimum share of energy consumption from non-fossil sources. Different consumption thresholds may be specified for different non-fossil sources and consumer categories. Designated consumers include: (i) industries such as mining, steel, cement, textile, chemicals, and petrochemicals, (ii) transport sector including Railways, and (iii) commercial buildings, as specified in the schedule. Failure to meet the obligations for the use of energy from non-fossil sources will be punishable with a penalty of up to Rs 10 lakh. It will also attract an additional penalty of up to twice the price of oil equivalent of energy consumed above the prescribed norm.

- **Carbon trading:** The Bill empowers the central government to specify a carbon credit trading scheme. Carbon credit implies a tradeable permit to produce a specified amount of carbon emissions. The central government or any authorised agency may issue carbon credit certificates to entities registered under and compliant with the scheme. The entities are entitled to purchase or sell the certificate. Any other person may also purchase a carbon credit certificate on a voluntary basis.

- **Energy conservation code for buildings:** The Act empowers the central government to specify energy conservation code for buildings. The code prescribes energy consumption standards in terms of area. The Bill amended this to provide for an ‘energy conservation and sustainable building code’. This new code will provide norms for energy efficiency and conservation, use of renewable energy, and other requirements for green buildings.

For a PRS analysis of the Bill, please see [here](https://www.legisprsin.parliament.nic.in/).
made by the central government under the Act. For a PRS analysis of the Bill, please see here.

Cabinet approved the National Green Hydrogen Mission

In January 2023, the Union Cabinet approved the National Green Hydrogen Mission. Current methods of large-scale hydrogen production have high carbon emissions. Green hydrogen addresses this issue by using solar or wind energy to produce hydrogen. The Mission seeks to facilitate production, demand creation, usage and export of green hydrogen and its derived products such as green ammonia and green methanol. The Ministry of New and Renewable Energy (MNRE) will be responsible for formulating regulations and implementing the Mission.

The initial outlay for the Mission is Rs 19,744 crore which is distributed among the following components: (i) Strategic Intervention for Green Hydrogen Transition (Rs 17,490 crore), (ii) Pilot Projects (Rs 1,466 crore), (iii) Research and Development (Rs 400 crore), and (iv) Other Mission components (Rs 388 crore). The Mission will be carried out in two phases:

- **Phase 1 (2023-24 to 2025-26):** Phase 1 will focus on creating demand (through utilisation in refineries, fertilisers and city gas sectors) and increasing the manufacturing capacity of domestic electrolysers. Pilot projects will be undertaken to initiate the use of green hydrogen in steel production, long-distance transport and shipping. Regulatory frameworks and standards will also be established for proper engagement with international norms. These measures are expected to drive down costs and enable large-scale deployment in the second phase.

- **Phase 2 (2026-27 to 2029-30):** By the beginning of the second phase, green hydrogen is expected to become cost-competitive with fossil-fuel-based alternatives in the refineries and fertiliser sector. Depending on the cost structure and market demand, the feasibility of green hydrogen-based projects in steel production, transport and shipping sectors on a commercial scale will be explored. New pilot projects will be undertaken in other potential sectors such as railways and aviation. Other projects will focus on scaling up research and development activities to develop products.

It is expected that by 2030, these initiatives would result in annual production capacity of at least five million metric tonnes. The associated renewable energy capacity addition will be around 125 Gigawatts. India targets to meet 50% of its energy requirement from renewable energy by 2030.

Second tranche of PLI scheme on High Efficiency Solar PV Modules approved

In September 2022, the Union Cabinet approved the implementation of the second tranche of the Production Linked Incentive (PLI) Scheme on the ‘National Programme on High-Efficiency Solar PV Modules’. A PLI scheme provides incentives based on certain incremental sales thresholds. The scheme seeks to achieve the target of generating 280-gigawatt (GW) capacity from solar energy by 2030. It seeks to promote domestic manufacturing of highly-efficient solar photovoltaic (PV) modules (commonly known as solar panels). The Indian Renewable Energy Development Agency (IREDA) is the implementing agency of the scheme. Under the scheme, PLI will be provided to selected manufacturers for five years post commissioning of the plants.

The first tranche of the scheme, approved in April 2021, had an outlay of Rs 4,500 crore. The second tranche has an outlay of Rs 19,500 crore. The PLI rate will have a tapering factor, i.e., it will be higher in the first year and lower towards the end of the fifth year. This signals the manufacturing industry to be competitive after five years. Key objectives of the scheme included: (i) installing an estimated 65,000 megawatt (MW) per annum manufacturing capacity of fully and partially integrated solar PV modules, (ii) creating manufacturing capacity for components (excluding PV modules), and (iii) boosting research and development initiatives to achieve high-efficiency solar PV modules.

Rules to regulate open access to renewable energy were notified

In June 2022, the Ministry of Power notified the Electricity (Promoting Renewable Energy through Green Energy Open Access) Rules, 2022. The Rules propose a framework for open access to renewable energy (from sources including solar, wind, hydro, and waste-to-energy). Open access means allowing a consumer to purchase electricity from a distribution company of its choice. Only consumers with a demand or sanctioned load of 100 kilowatts and above are eligible under this framework. The Rules were notified under the Electricity Act, 2003, which regulates the electricity sector in the country. Key features of the Rules were:

- **Procedure for grant of open access:** A central agency has been set up, which operates a single-window system for processing
applications for open access to renewable energy. State Regulatory Commissions will notify the nodal agencies for processing of these applications in their respective jurisdiction. The application is to be processed within 15 days. The minimum period for access will be one year.

- Charges: Respective State Regulatory Commissions will determine separate tariffs for open access, which may include a cross-subsidy surcharge. Cross-subsidy surcharge is levied to protect the current level of cross-subsidy within an area of supply of a distribution company. Cross-subsidy refers to a tariff structure where a group of consumers pay relatively higher charges to cover the cost of supply to another group of consumers. This surcharge is as per the tariff policy of the central government. It does not apply in the following cases: (i) open access to waste-to-energy plants, and (ii) open access for the production of green hydrogen and green ammonia. The Rules also specify certain limits on the extent of increase in cross-subsidy surcharge in a given period.

- Demand management: The Rules permit putting certain restrictions such as the minimum time blocks for which the quantum of consumption cannot be changed. This is to avoid high variation in demand for the distribution company.

Rules to regulate payment delays by discoms were notified

In June 2022, the Ministry of Power notified the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022.121 The Rules apply to payments by distribution companies (discoms) to generating companies, inter-state transmission licensees, and trading licensees. The Rules have been notified under the Electricity Act, 2003. The Act regulates the electricity sector in India. Key features of the Rules included:

- Late payment surcharge: Overdue payments will attract extra levies in the form of a late payment surcharge. The rate of surcharge for the first month of default will be 5% above the MCLR rate of the State Bank of India for one year tenure. MCLR rate is the minimum interest rate at which a bank lends. The rate of surcharge rate will increase by 0.5% for every month of delay, subject to a maximum of 3% above the rate for the first month of default. All payments made by discoms will be first adjusted towards the late payment surcharge and thereafter towards other dues.

- Conversion of dues to monthly instalments: Due date for outstanding dues up to the date of notification of the Rules will be re-determined. Discoms are now allowed to pay the dues in monthly instalments. To avail this option, discoms were required to communicate to the entities it owes, within 30 days of the notification of the Rules. The maximum number of instalments is 48 (subject to the quantum of dues).

- Payment security mechanism: Discoms are required to maintain an adequate payment security mechanism (through a letter of credit). Under a letter of credit, a bank guarantees that payment will be made to a party. The supply of power to a discom will be made only if payment security is provided or advance payment is made. In case of continuing non-payment of dues, supply to discoms will be gradually curtailed as per the mechanism specified under the Rules.

The Electricity (Rights of Consumers) Rules, 2020 amended

In April 2022, the Ministry of Power notified the Electricity (Rights of Consumers) Amendment Rules, 2022.122 These Rules amend the Electricity (Rights of Consumers) Rules, 2020 issued under the Electricity Act, 2003.123 The 2020 Rules specify the rights of consumers and obligations of electricity distribution licensee on various aspects of electricity distribution (such as providing connection, metering, and billing). Key amendments included:

- Reliability charges: The 2020 Rules require the state electricity regulatory commissions to specify certain standards for the distribution companies (discoms) to ensure the reliability of the power supply. These standards include the total duration and frequency of power outages per consumer in a year. The 2022 Rules added that the state commissions may consider a separate reliability charge for a distribution company. This charge may be levied if the company needs funds for investment in the infrastructure to ensure the reliability of supply.

- Curbing the use of diesel generating sets: The 2022 Rules added that the consumers, who use diesel generating sets as essential backup power, must try to shift to clean technology (such as renewable energy with battery storage) within five years from the date of notification of the Rules. The state
commissions may specify a different timeline for the shift to clean energy based on the reliability of supply in the area.

- **Temporary connections**: The 2022 Rules added that the discoms must consider the requests for temporary connections for construction activities or other temporary usages as urgent. Such connections must be given using a pre-payment meter within 48 hours, or within seven days where the distribution system needs to be augmented. This will help in avoiding the use of diesel sets for temporary activities.

**2023 Draft Amendments**

Further, in March 2023, the Ministry of Power released the draft Electricity (Rights of Consumers) Amendment Rules, 2023. Key changes proposed in the Rules include:

- **Time of day tariffs to be mandatory**: The 2020 Rules mandate the use of smart pre-payment meters or pre-payment meters. The draft Rules propose to add that for smart meters, time-of-day tariff will be applicable immediately after the installation. This provision will come into effect from: (i) April 1, 2024 for industrial and commercial consumers with maximum demand up to 10 kW, and (ii) April 1, 2025 for other consumers, except agricultural consumers. Time of day tariff implies that tariff during a single day might be different at different points of time, such as higher tariffs during peak hours and lower tariffs during solar hours (when solar energy can be harnessed).

- **Floor for time-of-day tariffs**: The draft Rules also propose to add certain conditions for the time-of-day tariffs to be specified by the State Commissions for consumers with smart meters. It specifies that peak hour tariffs should be at least: (i) 1.2 times the normal tariff for industrial and commercial consumers, and (ii) 1.1 times for other consumers. Similarly, for solar hours, the tariff should be lower by at least 20%. Further, peak hours cannot be longer than solar hours.

- **Access to balance data**: The 2020 Rules provide that consumers should be given access to consumption data on a real-time basis. The draft Rules add that access to data about remaining monetary balance should also be provided on a real-time basis.

- **Load for billing purposes**: The draft Rules add that if the maximum demand in a month exceeds the sanctioned load, billing will be done based on maximum demand. Currently, tariffs are different for different load brackets.

**Renewable purchase and energy storage obligations notified for the 2022-30 period**

In July 2022, the Ministry of Power notified trajectories for renewable purchase obligation (RPO) and energy storage obligation (ESO) for the period between 2022-23 and 2029-30 (as shown in Table 11). RPO refers to the obligation of power distribution companies to procure a minimum percentage of power from renewable sources. ESO refers to the obligation to source a minimum percentage of power from wind or solar with/through energy storage facilities. The Electricity Act, 2003 empowers the Ministry of Power to prescribe a long-term growth trajectory of RPO in consultation with the Ministry of New and Renewable Energy.

### Table 11: Trajectory for Renewable Purchase Obligation and Energy Storage Obligation

<table>
<thead>
<tr>
<th>Year</th>
<th>Renewable Purchase</th>
<th>Energy Storage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Wind (MTORE)</td>
<td>Hydro (MTORE)</td>
</tr>
<tr>
<td>2022-23</td>
<td>0.8%</td>
<td>0.4%</td>
</tr>
<tr>
<td>2023-24</td>
<td>1.6%</td>
<td>0.7%</td>
</tr>
<tr>
<td>2024-25</td>
<td>2.5%</td>
<td>1.1%</td>
</tr>
<tr>
<td>2025-26</td>
<td>3.4%</td>
<td>1.5%</td>
</tr>
<tr>
<td>2026-27</td>
<td>4.3%</td>
<td>1.8%</td>
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<tr>
<td>2027-28</td>
<td>5.2%</td>
<td>2.2%</td>
</tr>
<tr>
<td>2028-29</td>
<td>6.2%</td>
<td>2.5%</td>
</tr>
<tr>
<td>2029-30</td>
<td>6.9%</td>
<td>2.8%</td>
</tr>
</tbody>
</table>

Sources: F. No. 09/13/2021-RCM, Ministry of Power; PRS.

Key conditions with regard to meeting these obligations included:

- **Wind and Hydro RPO**: Of the total RPO, a certain percentage must be met from wind and hydro sources. For wind RPO, only power procured from projects commissioned after March 2022 will be taken into account. For hydro RPO, only power procured from large hydro projects commissioned after March 2019 will be taken into account. Imported hydro power will not be considered for RPO.

- **Powers of state commissions**: The state electricity regulatory commissions may specify RPO and ESO over and above the target specified by the Ministry.
Tariff Policy, 2016 amended with renewable generation obligations

In February 2023, the Ministry of Power notified amendments to Tariff Policy, 2016.127,128 The amendments specified a renewable generation obligation for new coal/lignite-based thermal generation stations set up after April 1, 2023. These stations must: (i) have a minimum renewable energy generation capacity (in MW) of 40% of their total capacity, or (ii) procure and supply renewable energy equivalent to such capacity.128 Stations with a commercial operation date between April 1, 2023 and March 31, 2025 shall be required to comply with the obligation by April 1, 2025. Captive coal/lignite based thermal generating stations shall be exempt from these requirements provided they fulfil their renewable purchase obligations as notified by the central government.

Floor price for Energy Savings Certificates notified

In December 2022, the Central Electricity Regulatory Commission (CERC) notified amendments to the CERC (Terms and Conditions for Dealing in Energy Savings Certificates) Regulations, 2016.129,130 The regulations provide a framework for trading Energy Savings Certificates. These certificates are tradable instruments issued by the Bureau of Energy Efficiency to those notified industries which have overachieved their energy-savings targets under the Perform, Achieve, and Trade (PAT) scheme. Under this scheme, reductions in specific energy-saving targets are assigned to designated consumers for a three-year cycle. Certificates may be traded at underachievers at power exchanges. The amendments added that these certificates must be traded above a floor price. The floor price will be fixed at 10% of the price of one metric tonne of oil equivalent of energy consumed. The central government will notify this price for every three-year PAT cycle.

National Bioenergy Programme notified

In November 2022, the Ministry of New and Renewable Energy notified the National Bioenergy Programme for the period between 2021-22 and 2025-26.131 The programme has been proposed to be implemented in two phases. The budget outlay of Phase-I is Rs 858 crore. The programme provides financial assistance to developers in the form such as direct transfer, interest-free loans and subsidies. The programme is an umbrella scheme for the following sub-schemes:

- **Waste to Energy Programme:** It provides financial support for setting up waste to energy projects for generation of biogas, bio-compressed natural gas, and power plants (excluding municipal solid waste to power projects) from urban, industrial, and agricultural wastes/residues.132 Total expected outlay for this programme in the first phase is Rs 600 crore.

- **Biomass Programme:** This scheme supports setting up of briquette (combustible biomass material)/pellet manufacturing plants and promotion of biomass (non-bagasse) based cogeneration industrial projects.133 Outlay on this component in the first phase is expected to be Rs 150 crore.

- **Biogas Programme:** Under this scheme, support is provided for biogas plants in rural areas and utilise the bio-manure obtained from such plants in farming practices.134 The financial assistance will be credited to the developer’s bank account after the completion and commissioning of biogas plants. Rs 100 crore is expected to be spent on this component under the first phase.

- **Indian Renewable Energy Development Agency Limited (IREDA) is the implementation agency for the Waste to Energy, and Biomass programmes. The Biogas programme is to be implemented by the designated programme implementing agency (PIA) of the state, which includes the Agricultural/Rural Development Department. Financial institutions such as banks, the National Bank for Agriculture, and Rural Development, RBI-approved institutions, and IREDA may also implement the Biogas Programme in consultation with PIAs.

Guidelines for charging infrastructure for electric vehicles were amended

In November 2022, the Ministry of Power notified amendments to the ‘Charging Infrastructure for Electric Vehicles – the Revised Consolidated Guidelines & Standards’, issued in January 2022.135 These guidelines provide for various aspects of electric vehicle (EV) charging infrastructure including tariffs and standards. The guidelines specify that charging of EVs at public charging stations is a service, and service charges may be levied, subject to a ceiling decided by the state government. The amendments added that such service charges will be: (i) subject to time-of-day tariff (concessional tariff at off-peak hours), and (ii) discounted for solar hours, i.e., duration when solar energy supply is at its peak. The amendments also added that a Committee under the Central Electricity Authority will periodically recommend...
to the state government: (i) the ceiling of service charges, (ii) time of day rate for service charges, and (iii) discount for solar hours. Public charging stations are required to provide the facility for prepaid collection of service charges.

Draft National Electricity Plan on generation released

In September 2022, the Central Electricity Authority (CEA) released the draft National Electricity Plan (Vol-I, Generation).136 CEA is required to formulate a national electricity plan once in five years under the Electricity Act, 2003.137 The draft Plan provided a review of the last five years (2017-22), capacity addition requirements for 2022-27, and projections for the period 2027-2032. The draft Plan projects total electricity generation of 2,674 billion units by 2031-32. Most of which will come from thermal (51%) followed by renewables (44%). Key highlights of the draft Plan are as follows:

- **Current Installed Capacity:** As of March 2022, the current installed capacity of the country was about four lakh megawatts (MW). Coal, renewable energy sources, and nuclear constituted 51%, 39%, and 2% of the installed capacity, respectively.

- **Generation capacity addition (2017-2022):** The target capacity addition for 2017-2022 could not be achieved primarily due to the COVID-19 pandemic. As per the National Electricity Plan, 2018, the target from conventional sources (coal, gas, nuclear) was about 50,000 MW.138 However, the capacity addition could only achieve about 30,000 MW, i.e., 60% of the set target.

- **Required capacity addition (2022-2027):** 2.3 lakh MW of additional capacity needs to be added during 2022-2027 to meet the peak demand and energy requirement for the year 2026-2027. Solar as a source will be a major contributor followed by wind, coal, and hydro.

- **Contribution of renewable energy sources in generation (2026-27, 2031-32):** According to the CEA, policies such as the National Solar Mission, PM-KUSUM, and the declining cost of renewable (RE) technologies will help make RE the major source in the energy mix of the country. The draft Plan projects that RE contribution will increase from 25% (2020-21) to 36% of the total energy of the country in 2026-27, and 45% by 2031-32.139

- **Need for additional coal-based capacity (2031-32):** Besides the under-construction coal-based capacity of 25,000 MW for 2022-27, the country may need an additional coal-based capacity of up to 28,000 MW by the year 2031-32.

Draft National Repowering Policy for Wind Power Projects, 2022 released

In October 2022, the Ministry of New and Renewable Energy (MNRE) released the draft National Repowering Policy for Wind Power Projects, 2022.140 Wind turbine repowering refers to replacing (or upgrading) older units with new, efficient, and powerful turbines (or components).

The draft policy seeks to replace the repowering policy issued in 2016.141 Total installed capacity of wind power increased from 21 gigawatt (GW) in March 2014 to 40 GW in March 2022. The draft policy aims to replace old, ageing, and inefficient, wind turbines of smaller capacity (less than 2MW) with modern highly-efficient ones to maximise the potential of the wind sector. As per the draft policy, India’s repowering potential of such smaller capacity turbines is 25 GW.

Key objectives of the Draft policy are: (i) optimum utilisation of wind energy resources by maximising energy output (measured in kilowatt-hour) per square kilometre of the project area, and (ii) the deployment of latest onshore wind turbine technologies. MNRE will have the right to amend and review the policy periodically to ensure its effective implementation. Key features of the policy are:

- **Repowering old wind turbines:** Wind turbines that are eligible for repowering include: (i) wind turbines of rated capacity below 2 MW, (ii) wind turbines that have completed their design life, and (iii) a set of wind turbines over an area that meet certain conditions such as more than 90% of total capacity of project has completed its lifespan.

- **Implementation framework:** The repowering projects would be implemented by the respective state nodal agencies involved in promoting wind energy or central nodal agency appointed by the central government. Within one month of the announcement of the policy, MNRE would constitute a monitoring and advisory committee chaired by the Joint Secretary (Wind), MNRE. The committee would include members from Indian Renewable Energy Development Agency (IREDA), state and central nodal agencies, and independent wind-energy experts.

- **Incentives:** IREDA will provide an additional interest rate rebate of 0.25% over and above the interest rate available to the new wind projects for repowering projects. Currently,
the available interest rates vary across different grades and lie in the range of 8.5% - 9.5%. Central and state governments may also consider additional financial incentives to support these projects.

### Mining

#### Amendments to the Mineral Concession Rules, 1960 notified

In September 2022, the Ministry of Coal notified the Mineral Concession (Amendment) Rules, 2022 to amend the Mineral Concession Rules, 1960. The 1960 Rules provide for the grant of mineral concessions. Key changes under 2022 Rules include:

- **Interest on late payment:** Earlier state governments could charge 24% interest per annum on delayed payment of rent, royalty, fee, or other sums due to the government from the 60th day of expiry of the date of payment. The amendments reduced the interest rate to 12% and allow the charging of interest rate from the date of expiry of payment.

- **Penalties:** Any contravention of the 1960 Rules was punishable with imprisonment up to two years or a fine up to five lakh rupees, or both. In case of continued contravention, a fine of Rs 50,000 was levied for each day. The amendments removed imprisonment upon contravention of certain rules concerning: (i) preparation of a mining plan by recognised persons, (ii) deposit of security fees before executing a mining lease, and (iii) payment of interest on delayed payment of rent, royalty, fee, or other sums due to the government. Contravention of these activities will continue to attract a fine of up to five lakh rupees and an additional fine up to Rs 50,000 (for each day) for continuing contravention.

#### Window to surrender non-operational government coal mines approved

In April 2022, the Union Cabinet approved a one-time window for government companies to surrender non-operational coal mines. No penalty will be applicable for such surrender and no reason needs to be cited. This was aimed at securing the release of several coal mines that government companies are not in a position to develop or are disinterested in developing. This option will be available for a three-month window. The surrendered mines will be made available to other entities through auction. As of August 8, 2022, the government received 13 requests regarding the surrender of coal blocks, of which one request was accepted.

As per the press note, till December 2021, 45 mines out of 73 coal mines allotted to government companies, remained non-operational. The due date for commencement of mining operations in case of 19 coal mines had already got over. Reasons for delays include issues with land acquisition, mismatch in assessed and actual availability of coal resources, and law and order.

#### Policy for use of non-minable land acquired under the Coal Bearing Areas Act approved

In April 2022, the Union Cabinet approved the policy for use of non-minable land acquired under the Coal Bearing Areas (Acquisition and Development) Act, 1957. The Act provides for the acquisition of coal-bearing lands and their vesting in a government company. Under the policy, the following types of land acquired under the Act will be made available for other uses: (i) land no longer suitable or economical for coal mining activities, (ii) land from which coal has been mined out, and such land has been reclaimed. The government company owning the land will lease these lands for specified activities including: (i) setting up coal or energy-related infrastructure such as coal washeries, coal handling plants, railway sidings, power projects, and coal gasification plants, and (ii) rehabilitation and resettlement of families affected due to acquisition of land under this Act or any other law. The lease will be given through competitive bidding.

#### Draft amendments to the Offshore Areas Mineral Act, 2002 released

In February 2023, the Ministry of Mines released draft amendments to the Offshore Areas Mineral (Development and Regulation) Act, 2002. The Act regulates mineral resources in offshore areas which include Indian territorial waters (up to 12 nautical miles), exclusive economic zones (between 12 and 200 nautical miles along the coast), and other maritime zones. These areas hold significant amounts of recoverable resources such as crude oil and natural gas, construction sand, and heavy minerals. The draft amendments seek to encourage private participation to explore and mine mineral resources and harness the full potential of these resources. Key features of the draft amendments included:

- **Production leases and exploration license:** In order to improve transparency in allocating mineral resources, production leases will be
Resolving Pending Litigations: The Ministry also noted that mineral resources are untapped due to pending litigations over previous irregular allocation of blocks. The draft amendments specify that existing operation, production and reconnaissance rights will lapse once the amendment Act comes into force. Reconnaissance refers to studying an area for military purposes.

Reduction of size of standard offshore mineral block: The size of a standard mineral block to be granted has been reduced to about 3.4 square km from around 85 square km. As per the Ministry, the reduced offshore area is comparable to provisions in other jurisdictions such as Australia and the Philippines.

Offshore Areas Mineral Trust: A non-lapsable Offshore Areas Mineral Trust (to be maintained under Public Account of India) will be set up to ensure the availability of funds for exploration, mitigation of adverse impacts of mining, and disaster management. The Trust will be funded by royalty paid by lessees.

Draft amendments to Mines and Minerals (Development and Regulation) Act, 1957 released

In May 2022, the Ministry of Mines proposed amendments to the Mines and Minerals (Development and Regulation) Act, 1957.153 The Act regulates the mining sector.154 Key proposed amendments included:

Forest clearance for exploration activities: Currently, forest clearance is required for exploration activities for mining. The Ministry noted that exploration activities do not cause any perceptible change in the forest land or biodiversity. Hence, proposed amendments seek to add that exploration activities in forest land will not be considered diversion of forest land for non-forest purposes. State governments will have powers to prescribe the manner of granting permission for such exploration activities.

Centre’s approval for auctioning composite licenses: The Act requires the state governments to seek prior approval from the central government for auctioning composite licenses for notified minerals (bauxite, iron ore, limestone, and manganese). A composite license permits both exploration and mining activities under a single license. The proposed amendments waive the requirement of prior approval from the central government.

Commercial sale by captive miners: The Act allows miners of captive mines to sell up to 50% of the annual production. The sale can be undertaken after fulfilling the requirement of the linked plant. The proposed amendments seek to remove this requirement. This will allow miners to sell 50% of their annual production without restrictions.

Average Sale Price (ASP): ASP is the weighted average of ‘sale value’ of minerals from each mine in a state. ASP is used to calculate royalty. ASP is not defined in the Act. As per existing Rules, ‘sale value’ includes royalty and payments to District Mineral Foundation (DMF) and National Mineral Exploration Trust (NMET). The Ministry noted that this would require a lessee to pay additional charges, including by way of royalty on royalty. Proposed amendments seek to define ASP in the Act and exclude export duty, GST, royalty, payments to DMF and NMET, and other such levies from it.

Draft Bill to protect geo-heritage sites and geo-relics released

In December 2022, the Ministry of Mines released the draft Geoheritage Sites and Geo-relics (Preservation and Maintenance) Bill, 2022.155 The Ministry noted that in the absence of a legislation for the protection of geoheritage sites, they are threatened with destruction due to decay, population pressure, and changing social and economic conditions. Key features included:

Declaration of geoheritage sites: The central government may declare a site as a geoheritage site of national importance. Geoheritage sites must contain features of geological significance, such as geo-relics or natural rock sculptures. Geo-relics are movable relics such as fossils or meteorites.

Protection of geoheritage sites: The draft Bill empowers the central government to acquire, preserve, and maintain geoheritage sites. The Director General of the Geological Survey of India will be given powers for this purpose, such as surveying and excavation.
Construction on these sites will be prohibited. However, it may be authorised by the Director General to preserve a site or to repair a structure that predates declaration of the site.

- **Protection of geo-relics:** The central government may declare that a geo-relic cannot be moved from its site, by notification, unless permitted by the Director General. The Director General may direct the acquisition of a geo-relic to protect it.

- **Offences and penalties:** Offences under the Bill include (i) destruction or misuse of a geoheritage site, (ii) illegal construction, and (iii) damaging or illegally moving a geo-relic. These offences are punishable with a fine of up to five lakh rupees or imprisonment of up to six months, or both.

**Draft Coal Logistic Policy, 2022 released**

In August 2022, the Ministry of Coal released the draft Coal Logistic Policy 2022 for comments. Coal logistics refers to the transport of coal from the origin to the destination through a single or multimodal mode of transportation. It includes storage, loading, or unloading for delivery of coal to various sectors such as power plants, and cement industry. Objectives of the Policy include: (i) ensuring availability of adequate coal evacuation infrastructure, (ii) optimising logistics cost, (iii) promoting multi-modal network of transport and greener transportation, and (iv) modernising the logistics infrastructure through use of technology.

Key features of the draft Policy included:

- **Reduction in coal logistics costs:** One of the key issues with coal evacuation has been the high cost of logistics. The draft Policy seeks to reduce coal logistics costs through several ways including: (i) planning for construction and use of shared evacuation infrastructure in the mine allocation process, (ii) regulating railway freight rates for coal, (iii) making railway-rail route more competitive vis-à-vis all road route, and (iv) using smart coal logistics corridors that give real time information about the logistics chain.

- **Multimodal network of transport:** The draft Policy noted that one of the challenges in coal evacuation is limited logistics planning in multi-modal transport. The Policy has proposed to formulate a Multi-modal Integrated National Coal Evacuation Plan. A Technical Support Unit and an Inter-Ministerial Committee (IMC) will be set up for formulating the Plan. While formulating the Plan, issues will be taken up with relevant ministries, state governments, and other stakeholders. The implementation of the Plan will be monitored by the IMC.

**Civil Aviation**

*Airlines to share details of international travellers with customs*

In August 2022, the Central Board of Indirect Taxes and Customs notified the Passenger Name Record (PNR) Information Regulations, 2022, under the Customs Act, 1962. As per the regulations, airlines must share details of international travellers collected in their normal course of business with the National Customs Targeting Centre – Passenger (NCTCP). The NCTCP is an authority established by the Board to process passenger details. The details are collected to prevent, detect, investigate, and prosecute offences under the Customs Act, 1962. Offences include illegal import or export of goods. Key features of the Regulations are:

- **Details to be shared:** Airlines must share passenger details such as name, PNR record, date of ticket reservation, date of travel, all contact information, and baggage information with the NCTCP. The details must be shared with NCTCP at least 24 hours before the departure time.

- **Information sharing:** NCTCP may share passenger details upon request with other law enforcement agencies or government departments if they are required in relation to a violation of a national or international law.

- **Retention of data:** The details shall be retained for up to five years, unless they are required for an investigation, prosecution, or a court proceeding. The details will be anonymised after five years. Details may be ‘depersonalised’ by an authorised officer if it is required for further analysis in connection with an identifiable case, threat, or risk.

- **Protection of information:** Information collected by NCTCP shall be protected, processed, and disseminated by authorised officers only. Revealing details such as a person’s race, religion, political opinions, trade union membership, health or sexual orientation is not permitted.

- **Penalty:** The NCTCP may levy a fine between Rs 25,000 to Rs 50,000 for each instance of non-compliance of sharing data by an airline.
Amendments to Aircraft Rules mandating safety reporting system notified

In April 2022, the Ministry of Civil Aviation notified amendments to the Aircraft Rules, 1937. The Rules have been notified under the Aircraft Act, 1934. The Act regulates the manufacture, possession, use, operation, sale, import and export of aircraft. The 1937 Rules prescribe the general safety conditions for operation of aircraft. Key features of the amendments are:

▪ **Mandatory safety reporting system:** The Directorate General of Civil Aviation (DGCA) must establish a mandatory safety reporting system for all entities engaged in aircraft services and operations. The system will be used to collect information on safety gaps for hazard identification and risk management. As per the 1934 Act, the DGCA oversees all aspects related to safety in civil aviation.

▪ **Voluntary safety reporting system:** The DGCA must also establish a voluntary safety reporting system. The voluntary system will be used to collect information on safety gaps, through agencies other than the DGCA, if considered necessary by the central government. Non-compliance to this system would be non-punitive in nature.

Regulations for operational requirements of general aviation notified

In November 2022, the Directorate General of Civil Aviation (DGCA) amended the Operation of General Aviation Aeroplanes Regulations issued under the Aircraft Rules, 1937. The Regulations provide for minimum operational, equipment, and instrument requirements of non-commercial aircraft. These include instructional flying, flying for pleasure, and business flying.

The amendments specify that the DGCA will authorise operational credit for the operations of advanced aircrafts. Advanced aircrafts are those that have equipment in addition to take off, approach, and landing. Operational credit enables an aerodrome that is normally authorised for a basic aircraft, to operate with an advanced aircraft. It includes requiring fewer ground facilities since they are compensated by airborne capabilities.

Specific approval will be required for operational credit related to low visibility operations. DGCA will ensure the following before authorising operational credit: (i) the aeroplane meets airworthiness certification requirements, (ii) the operator has carried out safety risk assessment of operations supported by the equipment, (iii) the operator has established a training programme for flight crew members and relevant personnel involved in flight preparation, and (iv) that the operator has established a system for data collection, evaluation, and trend monitoring for low visibility operations.

Guidelines to operate scheduled international air services by Indian operators notified

In April 2022, DGCA issued guidelines for Indian air carriers for operating scheduled international air transport services (both passengers and cargo). The guidelines were framed under the Aircraft Rules, 1937. The 1937 Rules specify that a person must seek permission from the central government for operating any scheduled air transport service involving Indian airspace. Key features of the guidelines are:

▪ **Eligibility:** Any Indian air transport undertaking will be eligible for operation of international scheduled air transport services, if it: (i) has a valid Air Operator’s Certificate for operation of scheduled air transport services; and (ii) deploys 20 aircraft or 20% of total capacity (in terms of average number of seats on all departures put together), whichever is higher, for domestic operations. The condition for domestic operations is not applicable for all-cargo services.

▪ **Capacity and Traffic Rights:** All eligible air carriers must apply to the Ministry of Civil Aviation for commencing or increasing their international air transport services. The applications will be examined with regard to eligibility and preparedness. For allocating traffic rights as proposed in the application (by the carrier), all eligible airlines will be consulted. While deciding on the application, the availability of traffic rights under bilateral services agreements will also be considered.

Aviation regulation for persons with disabilities amended

In July 2022, the Directorate General of Civil Aviation (DGCA) amended regulations to standardise air travel conditions for persons with disabilities and reduced mobility. The regulations were notified under the Aircraft Act, 1934 and the Aircraft Rules, 1937.

The current regulations apply to: (i) Indian airline operators engaged in domestic and international travel, (ii) foreign carriers operating to and from India, and (iii) all airport operators in India. Persons with disability include people who have a physical or mental impairment such as cosmetic disfigurement, mental retardation, or diseases such...
as cerebral palsy, cancer, and diabetes.

The amended regulations specify that airlines shall not refuse flight to passengers on the basis of a disability or reduced mobility. In case an airline perceives that a passenger’s health may deteriorate during the flight, an examination by a doctor shall be conducted. The doctor shall state whether a person is fit to fly or not. Based on the doctor’s decision, the airline shall decide whether a person would be allowed to fly, and provide written reasons to the passenger.

Road Transport and Highways

Several amendments notified under the Central Motor Vehicle Rules, 1989

In 2022-23, the Ministry of Road Transport and Highways notified several amendments to the Central Motor Vehicle Rules, 1989. The Rules were notified under the Motor Vehicles Act, 1988. The Act regulates the grant of driving license, and registration and standards for motor vehicles. Key amendments to the Rules include:

Validity of renewed fitness certificate to be based on the age of the transport vehicle

The Act mandates transport vehicles to carry a certificate of fitness. As per the 1989 Rules, a renewed fitness certificate for transport vehicles is valid for one year. Amendments notified in April 2022 prescribe validity based on age of the transport vehicle. The renewed fitness certificate will be valid for: (i) two years, for transport vehicles up to eight years old, and (ii) one year, for transport vehicles older than eight years. Further, the 2022 Rules specify that the fitness test for certain vehicles (such as heavy goods vehicles or heavy passenger vehicles) must be done through an Automated Testing Station, from June 1, 2024.

EV batteries required to conform to safety standards

Amendments notified in December 2022 specify that traction batteries for electric vehicles are required to conform to prescribed safety standards. Traction batteries are batteries used in the power train of an electric vehicle.

Vehicles carrying dangerous or hazardous goods to be enabled with vehicle tracking

As per the amendments notified in August 2022, specified vehicles carrying dangerous or hazardous goods shall be enabled with a vehicle tracking system. Specified vehicles include goods carrying vehicles whose weight exceeds 3.5 tonnes. Dangerous or hazardous goods include explosives, flammable and non-flammable gases, oxidising substances, and radioactive materials.

Vehicle importers to be included for vehicle trading certificate

The Rules provide for the registration of motor vehicles. The amendments notified in September 2022 allow vehicle importers to obtain a trade certificate. Having a trade certificate exempts a dealer or manufacturer from registering their vehicle. Earlier, only motor vehicle dealers and manufacturers could obtain trade certificates. The application for the certificate shall be made electronically, and separate applications will not be required for separate vehicle categories. If an application for a trade certificate is not disposed within 30 days, then it shall be deemed to be approved. The amendments also require certified vehicle dealers to: (i) maintain an electronic register of inventory of vehicles on the government portal, and (ii) display the model-wise sale price of vehicles with applicable taxes and fees bifurcation. Previously, the registering authority was empowered to cancel a trade certificate if the holder did not comply with specified provisions. The amendments specify that the registering authority shall report non-compliance of a certificate holder to the head of the Motor Vehicles Department. The Department Head is empowered to suspend or cancel a trade certificate based on such report.

BH-series vehicle registration rules amended

The Ministry amended the 1989 Rules in December 2022 for registration of BH-series vehicles. The 1989 Rules provide for the registration of all motor vehicles and non-transport vehicles with the Bharat (BH) series registration mark are allowed to have a number plate that is valid across the country. Persons eligible for a BH registration include government employees and private employees whose offices are in at least four states. Key features of the amendments are:

- **Transfer of BH registration:** The amendments specified that if a BH-registered vehicle is transferred to a person eligible for a BH registration, the registration will remain valid. However, if the other person is not eligible, they will be required to obtain a new registration mark (number plate with a state-specific number such as MH or TN) from the regular registration series. The vehicle will also be liable for a motor vehicle tax as per the state’s rules. Additionally, if the owner of a BH-series registered vehicle owner ceases to
be eligible for the registration, then the vehicle’s registration will remain valid for the period for which tax has been paid.

- **Application for registration:** The amendments added that an application for BH registration may be made to any registration authority in the state where the specified vehicle owner permanently resides or works.

**Rules to collect fee for use of National Highways amended to charge fees based on actual distance travelled by a vehicle**

In June 2022, the Ministry of Road Transport and Highways amended the National Highways Fee (Determination of Rates and Collection) Rules, 2008. The Rules empower the central government to collect fees for use of sections of national highways, permanent bridges, bypasses, and tunnels. In India, tolling is generally under the open system, under which user fee is levied based on the length of the road under a project (generally 60 km). The amendment enables the introduction of systems under which user fee is levied based on the actual distance travelled by a vehicle on a national highway or expressway (known as closed user fee collection system).

**Ownership and award criteria for PPP mode highway projects amended**

In May 2022, the Ministry of Road Transport and Highways amended the model contracts for highway projects in Public Private Partnership (PPP) mode. Highways projects are executed through different models (such as Build-Operate-Transfer and Hybrid Annuity). Key changes are:

- **Transfer of ownership:** Earlier, for Build-Operate-Transfer (Toll) projects, the ownership could be transferred only after two years of commercial operations had been completed. The 2022 amendment reduced this to one year.

- **Criteria for awarding Hybrid Annuity Model (HAM) projects:** In HAM projects, 40% the project cost is provided as construction support, while 60% is provided as annuity payments for operations. Earlier, bids for HAM projects were based on the lowest assessed bid price. The bid price was assessed on the basis of the sum of: (i) the bid project cost (during the concession period), and (ii) Operations and Maintenance cost (during the operations period). The 2022 amendment removed the Operations and Maintenance cost criteria. HAM projects are awarded only on the basis of the lowest bid project cost.

**Criteria for allocation of funds for development of state roads amended**

In April 2022, the Ministry of Road Transport and Highways amended the criteria for allocation of funds for development of state roads under the Central Road and Infrastructure Fund Act, 2000. The 2000 Act establishes the Central Road and Infrastructure Fund, which may be utilised for development and maintenance of National Highways, state roads, rural roads, and other infrastructure. Under the Act, a committee headed by the Finance Minister formulates the criteria for allocation of funds for development and maintenance of state road projects.

The criteria for fund allocations include: (i) roads which might be declared as new National Highways, (ii) inter-state roads and roads which are economically important, and (iii) roads connecting National Highways with particular focus on safety and traffic decongestion. The amendments introduced additional criteria for fund allocation to states, which includes: (i) connectivity to airports, pilgrim and tourist centres, monuments and heritage places, (ii) wayside amenities (rest areas, food courts), and road side utility ducts beside National Highways (for optical fibre cable), and (iii) PM GatiShakti framework for identification, sanction, and implementation of projects.

**Railways**

**The Amrit Bharat Station Scheme launched**

In December 2022, the Ministry of Railways announced the Amrit Bharat Station Scheme for modernising railway stations. The scheme provides for the introduction of new amenities as well as the upgradation and replacement of existing amenities at the selected stations. The developmental work will be based on master planning for the long term. The elements of the master plan will be implemented on a need basis. The broad scope of work will include: (i) improving station approaches by widening roads and removing unwanted structures, (ii) relocating railway offices at accessible locations to release space for passenger-related activities and future development, (iii) creating good quality waiting rooms, (iv) improving drainage of platform areas, (v) building spaces for executive lounges and business meetings, and (vi) creation of roof plaza and city centres at the station in the long run.
Cabinet approved revisions in policy on long-term leasing of railway land

In September 2022, the Union Cabinet approved revisions in the Railways’ land policy. These changes aim to facilitate the implementation of PM Gati Shakti, a programme to facilitate multi-modal connectivity. Earlier, the policy permitted the leasing of railway land for up to five years for any railway-related activity. Long-term leasing was allowed mainly for public sector undertakings for a period of up to 35 years. The Ministry noted that this limited the interest in investment in multi-modal cargo hubs. The revised policy provides for the leasing of railway land for cargo-related activities for up to 35 years. The lease charges will be levied at the rate of 1.5% of the market value of land per annum. The revisions also aim to simplify railway land use and the right of way for the development of public services such as electricity, gas, water supply, urban transport, and sewage. Lease charges will be the same as in the case of cargo-related activities. In addition, the policy also provides for use of railway land at a nominal cost for setting up solar plants, hospitals, and schools.

Policy to promote startups in railway technology announced

In June 2022, the Ministry of Railways announced the Indian Railway Innovation Policy. The Policy seeks to promote innovation and startups in railway technology. The Policy offers grants up to Rs 1.5 crore to selected startups in 11 specified problem areas. These include: (i) broken rail detection system, (ii) automation of track inspection activities, (iii) development of lightweight wagons, (iv) analytical tools for improving passenger services, and (v) use of geographical data for bridge inspection. Enhanced funding will be provided to scale up the deployment of successful prototypes. Intellectual property rights will remain with startups.

Shipping

Draft Merchant Shipping (Amendment) Bill, 2022 released

In July 2022, the Ministry released the draft Merchant Shipping (Amendment) Bill, 2022. The Bill proposed to amend the Merchant Shipping Act, 1958. The Act aims to foster the development and ensure efficient maintenance of the Indian mercantile marine. It also provides for the registration, certification, safety, and security of Indian ships. Key features of the draft Bill include:

- **Applicability**: The Act prescribes certain conditions for registration of Indian ships. This is only applicable to sea-going ships fitted with mechanical means of propulsion. The draft Bill seeks to widen the applicability of the Act by removing the words ‘mechanical means of propulsion’.

- **Indian ships**: The Act specifies certain conditions for a ship to be deemed as Indian. The ship must be fully owned by: (i) a citizen of India, or (ii) a company/body established under any central or state act with its principal place of business in India, or (iii) a cooperative society under the Cooperative Societies Act, 1912 or any other related law. The draft Bill seeks to allow part-ownership of the ship as may be notified by the central government. It expands the definition of Indian citizen to include non-resident Indians and overseas citizen of India. Further, it seeks to replace the ownership of ships by cooperative societies to include any other person or body notified by the central government.

- **Registration**: All ships must be registered under the Act, unless it does not exceed 15 tons net and is employed solely in navigation on the coasts of India. The draft Bill specifies that all Indian ships must be registered under the Act. However, this does not apply to ships which are solely owned by an overseas citizen of India. Further, the vessels registered under the Coasting Vessels Act, 1838 must be re-registered under the Act within one year.

- **Decriminalisation**: The Act specifies penalties for certain offences which are applicable to any person who contravenes any provision of this Act. The draft Bill seeks to decriminalise certain offenses listed in the Act. These offences included fraudulent alteration of certificates of discharge, or fraudulently using a forged discharge certificate.

Draft Indian Ports Bill, 2022 released

The Ministry of Ports, Shipping and Waterways released the draft Indian Ports Bill, 2022 in August 2022. The draft Bill seeks to prevent pollution at ports, ensure compliance with international maritime treaties, and manage major and non-major ports. Key features of the draft Bill are as follows:

- **Applicability**: The draft Bill would apply to all ports in the country, vessels within port limits, parts of navigable rivers and channels that lead to a port, and aircraft that use a port. The draft Bill would not apply to: (i) ports that
belong to the Indian Navy, Coast Guard, or Customs authorities, (ii) vessels belonging to the central or state government, or foreign vessels of war, or (iii) any port as notified by the central government.

- **Administrative bodies**: The draft Bill seeks to establish a Maritime State Development Council whose functions include: (i) recommending the central government on existing legal framework for statutory compliances, (ii) recommending measures to facilitate competition and port connectivity, (iii) formulating a national plan as a recommendatory framework to realise the potential of ports, and (iv) issue guidelines for information to be collected by ports. Each state government shall also constitute a State Maritime Board for all non-major ports in the state. The functions of the Board included initiating development plans, providing licenses for infrastructure and services, and protecting the ecological balance of the port.

- **Port Tariff**: For a major port, the Board of Major Port Authority shall frame or amend the port tariff. A major port is any port as notified by the central government. For a non-major port, the State Maritime Board or a concessionaire authorised by the Board shall frame or amend port tariff. Port tariff refers to consideration payable to a port in lieu of the services rendered to vessel owners. Such tariff includes port dues for using the port, consideration for loading or unloading of cargo, and for storage of materials.

- **Preventing and containing pollution**: As per the requirements of the MARPOL Convention, i.e., the International Convention for the Prevention of Pollution from Ships, 1973, Indian ports must provide adequate reception facilities to receive waste from vessels. Ports that provide reception facilities may levy user charges. Ports are also required to prepare a port waste reception and handling plan in compliance with the prescriptions of the central government.

### Guidelines for dealing with stressed projects at Major Ports notified

In May 2022, the Ministry of Ports, Shipping and Waterways notified guidelines for dealing with stressed Public Private Partnership projects at Major Ports. The guidelines apply to projects which became stressed: (i) during construction stage (before starting commercial operations), and (ii) due to the Concessionaire’s borrowings becoming non-performing assets, and/or lenders approaching the National Company Law Tribunal for recovery of their dues. Key features of the resolution mechanisms are:

- **Projects stressed before starting commercial operation**: The Concessioning Authority would pay a full and final settlement amount to the concessionaire/lenders (as the case may be) for taking over the useful assets created by the concessionaire. The amount will be equal to lowest of the following amounts: (i) the total value of the useful work done by the concessionaire, as per terms of the concession, or (ii) 90% of debt due as defined in the agreement; or, (iii) any other amount mutually agreed in writing by both parties according to the relevant provisions of the Model Concession Agreement.

- **Projects having stressed borrowings**: The due process before the NCLT under the Insolvency and Bankruptcy Code 2016 or under Section 241(2) of the Companies Act 2013 will be followed. The Concessioning Authority must regularly monitor the insolvency resolution proceedings, through the NCLT orders.

### Time period to avail financial assistance by Indian shipyards extended

The Ministry of Ports, Shipping and Waterways amended the ‘Guidelines for Implementation of Shipbuilding Financial Assistance Policy’ in April 2022. The Policy grants financial assistance to Indian shipyards for shipbuilding contracts signed between April 1, 2016 to March 31, 2026. The Guidelines lay down the process for vessels to avail financial assistance under the Policy. Vessels constructed and delivered within a period of three years from the date of contract, are eligible for availing financial assistance. The 2022 amendment provides that for contracts signed between March 24, 2021 to March 31, 2022, the time period of construction and delivery may be extended by a year. The extension was given on account of global supply chain disruptions due to COVID.

### Petroleum and Natural Gas

#### Amendments to the National Policy on Biofuels approved

The Union Cabinet approved amendments to the National Policy on Bio-fuels, 2018 in May 2022. The Policy aims at promoting production of biofuels and envisions a central role for it in the energy and transportation sectors of the country in
coming decades. The amendments approved include: (i) advancement of achieving the target of 20% ethanol blending in petrol from 2030 to 2025-26, (ii) allowing more feedstock for production of bio-fuels, (iii) adding new members to the National Biofuel Coordination Committee, and (iv) granting permission for export of bio-fuels in specific cases. Further, the amendments seek to promote the production of bio-fuels in the country, under Make in India.

**Deregulation of sale of domestically produced crude oil approved**

The Cabinet Committee on Economic Affairs approved the deregulation of sale of domestically produced crude oil in June 2022. It ensures marketing freedom for all exploration and production operators. The condition in the production sharing contracts to sell crude oil to the government, or its nominee, or government companies was waived off. Further, all exploration and production operators are free to sell crude oil from their fields in domestic market.

**Cabinet approved a one-time grant of Rs 22,000 crore to oil marketing PSUs for losses in supplying domestic LPG**

The Union Cabinet approved a one-time grant of Rs 22,000 crore for covering losses in domestic distribution of liquefied petroleum gas (LPG) in October 2022. The grant was distributed to three public sector undertakings (PSUs): (i) Indian Oil Corporation Limited, (ii) Bharat Petroleum Corporation Limited, and (iii) Hindustan Petroleum Corporation Limited. Domestic LPG cylinders are supplied at regulated prices by these three PSUs.

This grant came in the backdrop of an increase in international LPG prices. During June 2020 and June 2022, international prices of LPG increased by about 300%. In order to insulate consumers from such fluctuations, the cost increase was not fully passed to consumers which caused significant losses to PSUs. In the same period, domestic LPG prices increased by 72%.

**Cabinet approved subsidy under Pradhan Mantri Ujjwala Yojana for refilling cylinders**

In March 2022 the Union Cabinet approved a subsidy of Rs 200 per 14.2 kg cylinder for up to 12 refills per year under the Pradhan Mantri Ujjwala Yojana (PMUY). The subsidy will be credited to the beneficiary’s bank account. This decision comes in the backdrop of an increase in international liquefied petroleum gas (LPG) prices. Launched in 2016, PMUY seeks to provide LPG connections to women from below poverty line households. In order to cover additional households, PMUY phase 2 (Ujjwala 2.0) was launched in August 2021. The total expenditure for the subsidy was pegged at Rs 6,100 crore for 2022-23 and Rs 7,680 crore for 2023-24. Note that as per the Union Budget 2023-24, the central government budgeted Rs 2,257 crore for LPG subsidy for 2023-24.

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**Electronics and IT**

**Amendments to the IT Rules, 2021**

**2022 Amendments**

In October 2022, the Ministry of Electronics and Information Technology notified amendments to the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021. The Ministry had sought comments on the same in June 2022. The 2021 Rules specify due diligence requirements for intermediaries to claim exemption from liability for third-party content. Intermediaries are entities which store or transmit data on behalf of other persons. These include social media sites, e-commerce companies, and internet service providers. Key amendments were:

- **Obligations of intermediaries:** The 2021 Rules require intermediaries to publish rules and regulations, privacy policy and user agreements for access or usage of its services. The amendments added that these details should be made available in English or any language specified in the Eighth Schedule of the Constitution. The 2021 Rules specify restrictions on the types of content that users are allowed to create, upload, or share. The Rules require intermediaries to inform users about these restrictions. The amendments added that the intermediaries must: (i) ensure compliance with rules and regulations, privacy policy, and user agreement, and (ii) make reasonable efforts to cause users to not create, upload, or share prohibited content.

- **Appeal mechanism against decisions of grievance officers:** The 2021 Rules require intermediaries to designate a grievance officer to address complaints regarding violations of the Rules. The amendments provide for a mechanism for appeals against the decisions of grievance officers. The central government will establish one or more Grievance Appellate Committees to hear appeals against the decisions of grievance officers. The Committee will consist of a chairperson and
two other members appointed by the central government through a notification. The Committee will be expected to dispose of all appeals within 30 days on a best-effort basis.

- **Expedious removal of prohibited content:** The Rules require intermediaries to acknowledge complaints regarding violation of Rules within 24 hours, and dispose of complaints within 15 days. Amendments added that the complaints regarding the removal of specified prohibited content must be addressed within 72 hours.

**2023 Amendments – fake news and online gaming**

In January 2022, draft Rules were also released to regulate false information and online gaming. The IT Act, 2000 protects intermediaries from liability for third-party content if they comply with certain requirements. Key features of the draft Amendments include:

- **Regulating false information and online games:** The IT Rules, 2021 specify restrictions on the types of content that users are allowed to create, upload, or share. Content that threatens the unity of India or public order, is pornographic, or harmful to child is prohibited. The draft Amendments add that all intermediaries (including online gaming intermediaries) must take reasonable efforts to ensure that users do not: (i) publish any information that is identified as false or fake by the fact-check unit of the Press Information Bureau or any agency authorised by the central government, or (ii) host an online game not in conformity with any law.

- **Online games:** The draft Amendments define an online game as a game that is offered on the internet and is accessible if the user makes a deposit with the expectation of earning financial winnings. The central government may notify any other game as an online game. It defines an online gaming intermediary as an intermediary offering at least one online game.

- **Obligations for online gaming intermediaries include:** (i) registering their games with a self-regulatory body, (ii) obtaining and displaying a random number generation certificate and a no-bot certificate, (iii) informing users of the know-your-customer (KYC) procedure for user registration, the risk of financial loss and addiction associated with the game, and the measures taken to protect the user’s money, and (iv) verifying identity of users as per RBI procedures for account based relationships. Such intermediaries must have a physical address in India.

These rules were notified with certain changes in April 2023.

For a PRS Analysis of the 2022 and 2023 draft amendments, see [here](#).

**Draft Digital Personal Data Protection Bill, 2022 released**

In November 2022, the Ministry of Electronics and Information Technology released the Draft Digital Personal Data Protection Bill, 2022. The Bill seeks to provide for the protection of digital personal data and set up the Data Protection Board of India. Key features of the Bill are as follows:

- **Applicability:** The Bill will apply to the processing of digital personal data within India where such data is: (i) collected online, or (ii) collected offline and is digitised. It will also apply to the processing of personal data outside India if it is for offering goods or services or profiling individuals in India. Personal data is defined as any data about an individual who is identifiable by or in relation to such data. Processing has been defined as an automated operation or set of operations performed on digital personal data. This includes collection, storage, use, and sharing.

- **Consent:** Personal data may be processed only for a lawful purpose for which an individual has given consent. Consent will be deemed to have been given in specified cases including: (i) performance of any function under a law, or for provision of service or benefit by the State, (ii) medical emergency, (iii) employment purposes, and (iv) grounds of public interest such as fraud prevention, information security, and credit scoring.

- **Rights of data principal:** The person, whose data is being processed (data principal) will have the right to: (i) obtain confirmation about processing, a summary of data processed and processing activities undertaken, (ii) seek correction and erasure, (iii) nominate another person to exercise rights in the event of death of incapacity, and (iv) grievance redressal.

- **Obligations of data fiduciaries:** The entity determining the purpose and means of processing, called data fiduciary, must: (i) provide notice about the data to be collected and the purpose of processing, (ii) make reasonable efforts to ensure the accuracy and completeness of data, (iii) build reasonable security safeguards to prevent a data breach and inform the Data Protection Board of India and affected persons in the event of a breach, and (iv) cease to retain personal data as soon as
the purpose has been met, and retention is not necessary for legal or business purposes.

For a PRS analysis of the draft Bill, see here.

Draft National Data Governance Framework Policy released

In May 2022, the Ministry of Electronics and Information Technology released the draft National Data Governance Framework Policy. The Policy seeks to standardise the collection, processing, storage, access, and use of government data. Objectives of the Policy include: (i) promoting digital governance, (ii) standardising data management and security standards, and, (iii) building data platforms to increase accessibility to government data. Key features of the policy include the following:

• India Data Management Office (IDMO): Under the policy, the IDMO will be set up under the Digital India Corporation, which is under the Ministry of Electronics and Information Technology. Key responsibilities of IDMO will include: (i) developing standards for data storage and retention for ministries/departments, (ii) building the India datasets program consisting of non-personal and anonymised datasets collected by the government and encouraging private entities to share such data, (iii) publishing standards and rules for data anonymisation, and (iv) managing access to datasets. The IDMO will also be responsible to frame, manage, and periodically review the policy.

• Applicability of Policy: The Policy will be applicable to: (i) all government departments/ministries, and (ii) all non-personal datasets, standards governing its access, and use by researchers and start-ups. State governments will be encouraged to adopt the provisions of the policy and its standards.

Communications

Draft Indian Telecommunication Bill, 2022 released

In September 2022, the Department of Telecommunications released the Draft Indian Telecommunication Bill, 2022. The Draft Bill seeks to replace: (i) the Indian Telegraph Act, 1885, (ii) the Indian Wireless Telegraphy Act, 1933, and (iii) the Telegraph Wires (Unlawful Possession) Act, 1950. These Acts regulate telecom services, possession of telecom equipment, and the laying of telecom network. Key features of the draft Bill are as follows:

• License for telecom network and services: The central government will have the exclusive privilege to: (i) establish, operate, and maintain telecom network, and (ii) provide telecom services. It may grant a license to other entities to carry out these activities. The draft Bill defines telecom services as services made available to users by telecommunication including: (i) fixed-line and mobile, (ii) internet, (iii) broadcasting, (iv) satellite communication, (v) machine-to-machine communication, (vi) e-mail, and (vii) over-the-top (OTT) communication services (voice, video, or messaging services over internet).

• Spectrum assignment: Spectrum may be assigned through auction, or administrative allocation in case of government functions or purposes concerning public interest or necessity. These include: (i) spectrum for BSNL, MTNL, and Prasar Bharti, (ii) disaster management, (iii) safety in transport systems, (iv) weather forecasting, (v) space research, and (vi) community radio stations.

• Public safety and national security: The central government or state government may: (i) take temporary possession of telecom services or network, or (ii) direct that certain messages and communication of persons be intercepted and shared with them, or their communication be suspended. These will apply in case of public emergency or safety, and should be necessary in the interest of national security, foreign relations, public order, or prevention of offences.

• The Draft Bill also provides for: (i) a framework for right of way for laying telecom infrastructure, (ii) regulation of restructuring, insolvency, and payment default in the telecom sector, and (iii) a telecom development fund.

For a PRS analysis of the Bill, see here.

Cabinet approved auction of 5G spectrum

In June 2022, the Union Cabinet approved the proposal to conduct the auction of spectrum for 5G services. A total of 72,098 megahertz (MHz) of spectrum in the following frequency bands was up for auction: (i) low-frequency – 600 MHz, 700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, and 2300 MHz, (ii) mid-frequency – 3300 MHz, and (iii) high-frequency - 26 GHz. Key terms and conditions for allocation were: (i) allocation period of 20 years, (ii) upfront payment of bid amount was not required, payment could be made in 20 equal annual instalments, (iii) recurring spectrum usage...
charges would not be applicable, and (iv) spectrum may be surrendered after 10 years with no future liability for balance instalments.

**Cabinet approved revival plan for BSNL worth Rs 1.64 lakh crore**

In July 2022, the Union Cabinet approved a revival plan for BSNL worth Rs 1.64 lakh crore. The plan is expected to enable BSNL to: (i) upgrade the quality of existing services, (ii) roll out 4G services, and (iii) restructure its liabilities. This in turn is expected to help it become financially viable and earn profit from 2026-27. Key features of the revival plan include:

- **Financial support**: The government will provide financial support for various purposes: (i) allotment of spectrum worth Rs 44,993 crore through equity infusion, (ii) Rs 22,471 crore for capital expenditure, (iii) Rs 13,789 crore as viability gap funding for commercially unviable rural wireline operation done during previous years (2014-20), (iv) conversion of dues of license fees and spectrum usage charges worth Rs 33,404 crore into equity, and (v) further funds for settling dues of GST, license fee, and spectrum usage charges.

- **Merger of BSNL and BBNL**: The Bharat Broadband Network Limited (BBNL) was merged with BSNL. BBNL was a public sector undertaking set up to create and manage the optical fibre infrastructure under the BharatNet scheme. The BharatNet scheme was launched in 2011 to provide broadband connectivity to 2.5 lakh gram panchayats through optical fibre. The BharatNet infrastructure will continue to be a national asset, and accessible on a non-discriminatory basis to all telecom service providers.

**Telecom PLI to also incentivise design-led manufacturing**

In June 2022, the Department of Telecommunications (DoT) revised the Production Linked Incentive (PLI) Scheme for telecom and networking products to add a component for design-led manufacturing. The PLI scheme was launched in February 2021. It provides incentives to selected companies on incremental sale of telecom and networking products manufactured domestically. The design-led manufacturing component will incentivise designing and research and development of telecom products within India. Design led manufacturing includes: (i) designing the system (software and hardware) in India, and (ii) hardware design, source code and Intellectual Property Rights (IPR) should be in India. Under the scheme, companies would also need to make a certain minimum investment in India during the scheme period to be eligible for incentives. The minimum investment required to become eligible for design-led component was: (i) Rs 10 crore for MSMEs, and (ii) Rs 100 crore for other companies.

Further, the entire scheme was extended by one year. Earlier, the scheme was available for five years from 2021-22. Beneficiaries could then choose 2021-22 or 2022-23 as the first year of availing incentives under the scheme.

**Projects for providing 4G mobile services in certain villages approved**

The Union Cabinet approved two schemes for providing 4G mobile services in: (i) security sites in left wing extremism areas and (ii) uncovered villages. Both the projects will be funded through the Universal Service Obligation Fund (USOF). The USOF has been set up under the Indian Telegraph Act, 1885 to provide widespread, non-discriminatory, and affordable access quality information and communication technology services to people in rural and remote areas. Resources for USOF are raised through a levy on the revenue of all the telecom operators under various licenses. The total cost for five years is estimated to be Rs 1,885 crore and Rs 26,316 crore respectively for both the schemes.
The Ministry of Health and Family Welfare notified the Assisted Reproductive Technology Rules, 2022, in June 2022.226 The Rules were notified under the Assisted Reproductive Technology (ART) Act, 2021.227 The 2021 Act regulates ART services in the country. ART includes all techniques that seek to obtain a pregnancy by handling the sperm or the oocyte (immature egg cell) outside the human body and transferring the gamete or the embryo into the reproductive system of a woman. Examples include gamete donation, in-vitro fertilisation and gestational surrogacy. ART services are provided through ART clinics and ART banks. ART clinics offer ART related treatments and procedures. ART banks store and supply gametes.227 Under the Act, every ART clinic and bank must be registered in the National Assisted Reproductive Technology and Surrogacy Registry.227 Key features of the 2022 Rules include:

- **Two levels of clinics:** The Rules provide for: (i) Level 1 ART clinics, where only preliminary investigations and intrauterine insemination procedures (where sperm are directly placed in the uterus for fertilisation) may be carried out, and (ii) Level 2 ART clinics where all investigations and diagnostic and therapeutic procedures in ART may be carried out. This includes advanced procedures like in-vitro fertilisation, where an oocyte is combined with sperm outside the human body.

- **Responsibilities of ART banks and clinics:** The Rules specify the responsibilities of ART banks and clinics. For ART banks, these include: (i) screening, collection and registration of semen donors and oocyte donors, (ii) cryopreservation of sperm, and (iii) maintaining records of all donors. They must regularly update the National Registry with such information.

- **Clinics must ensure that:** (i) all unused gametes or embryos are preserved and used for the same recipients and not any other couple, (ii) genetic testing is done before implantation for embryos that have a known pre-existing heritable or genetic disease or when it is medically indicated, (iii) no genetic testing is done before implantation for the purpose of sex selection or for selection of particular traits due to personal preferences of prospective parents, (iv) prospective parents sign consent forms as specified under the Rules, and (v) the commissioning couple/woman have purchased insurance coverage for the oocyte donor for a period of twelve months.

### Rules to regulate surrogacy notified, and later amended

The Ministry of Health and Family Welfare notified the Surrogacy (Regulation) Rules, 2022, in June 2022.228 The Rules were notified under the Surrogacy (Regulation) Act, 2021.229 Surrogacy is a practice where a woman gives birth to a child for an intending couple/woman and agrees to hand over the child to them after the birth.227 Under the Act, an intending couple is one that has a medical indication necessitating surrogacy.227 An intending woman (Indian citizen, and a widow or divorcee between the ages of 35 to 45 years) can also commission surrogacy.227 The Rules were then amended in March 2023. Key features of the 2022 Rules are:

- **Medical indications necessitating surrogacy:** A woman may opt for surrogacy if: (i) the woman has no uterus, a missing uterus, an abnormal uterus or if the uterus has been surgically removed due to a medical condition, (ii) the couple/woman has repeatedly failed to conceive after multiple attempts using other Assisted Reproductive Technologies (ART), (iii) the woman has suffered from multiple pregnancy losses due to an unexplained medical reason, (iv) the pregnancy is life-threatening, or (v) the woman suffers from any illness that makes it impossible to carry a pregnancy to viability.

- **Modalities of the surrogacy procedure:** As per the Rules, the surrogacy procedure shall not be attempted more than three times on the surrogate mother. Only one embryo may be utilised per treatment cycle; up to three embryos may be used in special circumstances.

- **Personnel:** Every surrogacy clinic shall have at least one gynaecologist, one anaesthetist, one embryologist, and one counsellor. The gynaecologist must be a medical post-graduate in gynaecology and obstetrics. The Rules prescribe their experience requirements, such as a record of performing 50 ovum (mature egg) retrieval processes, and three years’ experience in an ART clinic.

- **Insurance:** The intending woman or couple must purchase general health insurance
coverage in favour of the surrogate mother for a period of 36 months. The insurance amount must adequately cover expenses arising out of pregnancy and post-partum complications.

The 2022 Rules allowed an intending couple to utilise a donated oocyte. They were amended in March 2023 to mandate that the intending couple provide both gametes for surrogacy. The 2022 Rules allow for an intending woman to utilise a donor oocyte, but the amendment requires that she must use her own oocyte.

**National Health Authority announces Digital Health Incentive Scheme**

To promote the Ayushman Bharat Digital Mission (ABDM), the National Health Authority announced the Digital Health Incentive Scheme in December 2022. ABDM provides for every citizen to have their health records stored digitally in a consolidated database, to facilitate easier access when receiving medical treatment. Under this scheme, incentives will be provided to eligible health facilities and health solutions based on the number of health records that they create and link to an Ayushman Bharat Health Account (ABHA). An ABHA number uniquely identifies a person’s medical records.

Hospitals and diagnostic labs/facilities are eligible for this scheme. Under the scheme there will be a monthly threshold for the number of ABHA-linked transactions, above which hospitals or diagnostic facilities would receive a financial incentive. For example, hospitals would receive Rs 20 per transaction above a base level of 50 transactions per bed per month. Diagnostic facilities and labs are subject to a base level of 500 ABHA-linked transactions per month, above which they would receive Rs 15 per additional transaction. The maximum incentive that a healthcare facility can receive under this scheme is four crore rupees. The estimated initial financial outlay for this scheme is 50 crore rupees.

**Measures for assessing performance of hospitals to include value of services**

In January 2023, the National Health Authority under the Ministry of Health and Family Welfare changed the manner of measuring and grading the performance of hospitals under the Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (PM-JAY). The PM-JAY scheme aims to provide insurance coverage of up to five lakh rupees to poor and vulnerable families. Previously, payments under the scheme were rendered to hospitals based only on the quantity of services provided. As per the new system, hospitals will be assessed in terms of (i) beneficiary satisfaction, (ii) hospital re-admission rate, (iii) out-of-pocket expenditure, (iv) confirmed grievances, and (v) improvement in the patient’s health-related quality of life. This assessment will then be used to determine the payment paid to hospitals. In addition, assessment results will be made public to help beneficiaries make an informed decision.

**Emergency use authorisation granted to mRNA COVID-19 vaccine, Gemcovac**

The Drugs Controller General of India (DCGI) granted emergency use authorisation to Gemcovac for restricted use in adults in June 2022. Gemcovac, developed by Gennova Biopharmaceuticals, is India’s first indigenous mRNA COVID-19 vaccine.

Apart from this, nine COVID-19 vaccines have been granted emergency use authorisation in India. These are: (i) Covishield, (ii) Covaxin, (iii) Sputnik-V, (iv) mRNA-1273 (Moderna vaccine), (v) Janssen, (vi) Zycov-D, (vii) Covovax, (viii) Corbevax, and (ix) Sputnik light. These vaccines may be administered to all persons aged 18 years and above. Covaxin and Corbevax may be administered to children aged between 12-18 years, as well.

**“INCOVACC” Intra-nasal COVID-19 vaccine rolled out on CoWIN platform**

The “INCOVACC” intra-nasal COVID-19 vaccine, developed by Bharat Biotech, was rolled out on the CoWIN platform in January 2023. The vaccine was previously approved for emergency use by the Central Drugs Standard Control Organisation on September 6, 2022. The vaccine is priced at Rs 325 for government supplies, and Rs 800 for private markets, excluding GST.

**Ministry of Health and Family Welfare released the National Suicide Prevention Strategy**

In November 2022, the Ministry of Health and Family Welfare released the National Suicide Prevention Strategy to address the issue of suicide. According to the Ministry, suicide is the leading cause of death among those aged 15-29 in India. The Strategy builds upon existing policies and laws. For example, the Mental Healthcare Act, 2017, decriminalises attempted suicide, and requires governments to provide care to any person who has attempted suicide. The National Mental Health Policy, 2014, suggests measures such as de-stigmatising mental health issues. The Strategy sets an overall goal of reducing suicide mortality by 10% by 2030, from its 2020 rate of 11.3 per one
lakh population. It outlines a broad approach to meeting this target. Key features are as follows:

- **Objectives:** The Strategy sets out the following key objectives: (i) reinforcing institutional capacity for suicide prevention, (ii) strengthening health services, (iii) increasing community and societal support for suicide prevention, and (iv) improving the collection of data on suicide.

- **Action framework:** For each objective, the Strategy document provides: (i) strategies, (ii) actions, (iii) indicators of success, (iv) stakeholders responsible for each action, and (v) timelines for action. For example, it proposes reducing access to common methods of committing suicide for the objective of reinforcing institutional capacity for suicide prevention. In the short-term, it proposes phasing out hazardous pesticides, for which implementation of the Ministry of Agriculture and Farmers’ Welfare’s ban on pesticides will be the indicator of success. In the medium-term, the Strategy proposes implementing safer storage and disposal of pesticides, which will be indicated by a reduction in the number of suicides caused by poisonous pesticides. In the long-term, it proposes increasing the availability of alternate pest control methods, and the indicator of success would be indicated by increases in the usage of bio-pesticides. The Ministry of Agriculture and Farmer’s Welfare is the stakeholder responsible for implementing these actions.

- **Implementation framework:** The Strategy document proposes implementation mechanisms for each action listed in the Action Framework. Following the example above, it proposes the restriction of sales of pesticides to licensed purchasers above 21 years of age. It also proposes the appointment of personnel responsible for the safe storage and disposal of pesticides.

**Draft Drugs, Medical Devices, and Cosmetics Bill, 2022 released**

In July 2022, the Ministry of Health and Family Welfare released the draft Drugs, Medical Devices, and Cosmetics Bill, 2022. Currently, the Drugs and Cosmetics Act regulates the import, manufacture, distribution, and sale of drugs, cosmetics, and medical devices. The draft Bill aims to ensure quality, safety, efficacy, and clinical trial of new drugs and the clinical investigation of investigational medical devices. Key features of the draft Bill include:

- **Medical Devices Advisory Board:** The draft Bill seeks to constitute a Medical Devices Technical Advisory Board to advise central and state governments on matters pertaining to medical devices. The Board will consist of ex-officio members, government representatives, nominated members, and experts. The Board will be chaired by the Director General of Health Services.

- **Clinical trial:** Under the draft Bill, the central licensing authority (Drugs Controller General) must obtain prior permission to conduct any clinical trial for a new drug. Any person who conducts a clinical trial without prior permission will be liable for a maximum penalty of five lakh rupees.

- **Online pharmacies:** The draft Bill seeks to regulate online pharmacies. It prohibits any person to sell, stock, or distribute any drug by online mode without a license or permission. It allows the central government to make regulations and restrictions for the online sale of drugs.

**Draft amendments to the Medical Device Rules, 2017 released**

In March 2023, the Ministry of Health and Family Welfare published draft amendments to the Medical Device Rules, 2017. The 2017 Rules were framed under the Drugs and Cosmetics Act, 1940. They provide for risk-based classification of medical devices. The Rules enable the Drugs Controller General of India to act as a Central Licensing Authority for the manufacture and sale of medical devices within this framework, and also provide States to appoint State Licensing Authorities for specific classes of devices. The Rules mandate that medical devices conform to standards set by the Bureau of Indian Standards and standards notified by the Ministry of Health and Family Welfare. The Rules provide for the central government to appoint central medical device testing laboratories to evaluate medical devices, among other purposes. The proposed amendments would allow state governments to notify laboratories for testing and evaluation of medical devices.

**Draft regulations for professional conduct of medical practitioners released**

The National Medical Commission released the Draft Registered Medical Practitioner (Professional Conduct) Regulations, 2022, in May 2022. They were released under the National Medical Commission Act, 2019 (NMC Act). The Act empowers the NMC to regulate the professional...
Duties and responsibilities of RMPs: The regulations specify that RMPs shall: (i) use only NMC-accredited degrees as suffixes, (ii) practise the system of medicine in which they have trained, (iii) not solicit patients, and (iv) not endorse any product or person. Further, RMPs must take informed consent from their patients before any clinical procedure. They may choose which patients to treat except in case of life-threatening emergencies (where RMPs cannot refuse treatment to the patient).

Grievance redressal mechanism: Aggrieved persons can file complaints of professional misconduct with the State Medical Council (SMC). The 2019 Act mandates state governments to establish SMCs. Professional misconduct has been defined as any violation of these Regulations or other laws relating to medical practice, such as the NMC Act. SMCs may also investigate RMPs of their own accord. The SMC may penalise the defaulting RMP by: (i) suspending the RMP from practice temporarily, (ii) imposing monetary penalty, and (iii) removing the RMP from the National Medical Register permanently.

Telemedicine guidelines: Telemedicine includes all communication channels with patients using IT platforms. This includes voice, audio, text and digital data exchange. The regulations include teleconsultation guidelines for RMPs. These include requirements for RMPs to assess whether a teleconsultation would be sufficient under the circumstances, and obtain and record patients’ consent before teleconsultation.

Social media guidelines: The regulations cover RMPs’ usage of social media. For example, RMPs must provide factual verified information on social media, and must avoid prescribing and discussing treatment methods and medicines through social media.

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**Education**

**Bill to convert existing university to Gati Shakti Vishwavidyalaya passed by Parliament**

The Central Universities (Amendment) Bill, 2022 was passed by Parliament in August 2022. Key features of the Bill are:

- **Gati Shakti Vishwavidyalaya:** The Bill converted the National Rail and Transportation Institute, Vadodara (a deemed university) to the Gati Shakti Vishwavidyalaya, which will be a central university. The National Rail and Transportation Institute was declared a deemed university under the University Grants Commission Act, 1956. The Vishwavidyalaya will be sponsored and funded by the central government through the Ministry of Railways.

- **Scope of education:** Gati Shakti Vishwavidyalaya will take measures to provide quality teaching, research, and skill development in disciplines related to transportation, technology, and management. According to the Statement of Objects and Reasons, establishment of the Vishwavidyalaya will address the need of trained talent in the transportation sector.

For a PRS summary of the Bill, please see here.

**Regulations for Indian and foreign universities offering Twinning, Joint Degree and Dual Degree courses notified**

In May 2022, the University Grants Commission (UGC) notified the UGC (Academic Collaboration between Indian and Foreign Higher Educational Institutions to offer Twinning, Joint Degree and Dual Degree Programmes) Regulations, 2022. These regulations provide for Indian and foreign higher educational institutions (HEIs) to offer Twinning, Joint Degree, and Dual Degree programmes. Key features of these programmes are as follows:

- **Twinning Programme:** Students enrolled with an Indian institution may study partly in India, and partly in a foreign HEI. The degree will be awarded by the Indian institution. A student can earn up to 30% of the total credits for the programme from foreign HEI.

- **Joint Degree Programme:** The curriculum will be designed jointly by the collaborating Indian and foreign HEIs. Students must earn at least 30% of the total credits from each of the collaborating institutions. The credits must not be from overlapping course contents. The
degree will be awarded by the collaborating institutions with a single certificate.

- **Dual Degree Programme**: These programmes will be jointly designed and offered by Indian and foreign HEIs in the same disciplines/subject areas and in the same level (bachelors or masters). Students must earn at least 30% of the total credits from the Indian institution. Note that the dual degree will not be counted as two-degree programmes in separate disciplines and/or levels being pursued simultaneously.

These programmes cannot be offered in online and open and distance learning mode. Further, the Regulations specify certain ranking criteria for both Indian and foreign HEIs to collaborate.

**Cabinet approved PM SHRI Schools**

The Union Cabinet approved PM SHRI (PM Schools for Rising India) Schools, a centrally sponsored scheme in September 2022. Under the scheme, more than 14,500 schools managed by central, state, and local body governments will be selected and upgraded. Schools would be required to apply through an online portal. The portal will be opened four times a year, once every quarter, for the first two years of PM SHRI.

PM SHRI schools will be provided with several facilities such as: (i) linkage with sector skill councils and local industry, (ii) improved pedagogy with a focus on holistic learning, (iii) school quality assessment framework to measure outcomes, (iv) infrastructural facilities such as solar panels, LED lights, and smart classrooms, and (v) annual school grants. The total cost of the scheme will be Rs 27,360 crore (including central share of Rs 18,128 crore) for the period 2022-23 to 2026-27. Rs 4,000 crore have been allocated towards the scheme in 2023-24.

**Minimum land requirement reduced for Open Universities eligible for UGC grants**

The University Grants Commission (UGC) notified amendments to the University Grants Commission (Fitness of Open Universities for grants) Rules, 1989, in March 2022. The 1989 Rules specify the criteria for Open Universities to be eligible for grants (from the UGC or central government). Under the criteria, state governments are required to ensure that the University has 40-60 acres of developed land to be eligible for these grants. The amendment reduced the developed land requirement to five acres.

**Sports**

**Bill to regulate doping in sports passed by Parliament**

In August 2022, the National Anti-Doping Bill, 2021 was passed by Parliament. The Bill was examined by the Standing Committee on Sports which recommended certain amendments. The Bill was passed after incorporating some changes recommended by the Committee. The Bill prohibits doping in sports and provides for constituting the National Anti-Doping Agency as a statutory body. Doping is the consumption of certain prohibited substances by athletes to enhance performance. Key features of the Bill include:

- **Prohibition of doping**: The Bill prohibits athletes, athlete support personnel, and other persons from engaging in doping in sports. Support personnel include the coach, trainer, manager, team staff, medical personnel, and other persons working with or treating or assisting an athlete. These persons must ensure that there is no violation of anti-doping rules which include: (i) presence of prohibited substances or its markers in an athlete’s body, (ii) use, attempted use or possession of prohibited substances or methods, (iii) refusal to submit a sample, (iv) trafficking or attempted trafficking in prohibited substances or methods, and (v) aiding such violations.

- The Committee noted that the Bill does not make distinction between minor and adult athletes. It recommended that the distinction between a minor and adult athlete should be made in the Rules to ensure a protective mechanism for minor athletes. The amendment added that anti-doping rules will also apply to: (i) ‘other persons’ participating or involved in sport, and (ii) persons specified as ‘protected persons’ by the central government. As per World Anti-Doping Agency Code, a protected person is: (i) below the age of 16, or (ii) below the age of 18 and has not participated in any international competition in open category, or (iii) lacks legal capacity according to their country’s legal framework.

- **Consequences of violations**: Anti-doping rule violation by an individual athlete or athlete support personnel may result in: (i) disqualification of results including forfeiture of medals, points, and prizes, (ii) ineligibility to participate in a competition or event for a prescribed period, (iii) financial sanctions, and (iv) other consequences as may be prescribed. Consequences for team sports will be specified by regulations. The amendment added that
consequences for protected persons, will be specified in regulations.

- **National Anti-Doping Agency**: Currently, anti-doping rules are implemented by the National Anti-Doping Agency, which was established as a society. The Bill provides for constituting this National Anti-Doping Agency as a statutory body. It will be headed by a Director General appointed by the central government. Functions of the Agency include: (i) planning, implementing, and monitoring anti-doping activities, (ii) investigating anti-doping rule violations, and (iii) promoting anti-doping research.

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

### National Air Sports Policy released

The Ministry of Civil Aviation released the National Air Sports Policy in June 2022. Air sports includes various sports activities which involve the medium of air such as parachuting and hang gliding. The National Air Sports Policy covers eleven such air sports.

The Policy envisions India as one of the top air sports nations by 2030. It aims to: (i) adopt international good practices in all aspects of air sports (safety, infrastructure, operations, maintenance, and training), (ii) enhance participation and success of Indian sportspersons in global air sports events, and (iii) promote design, development and manufacturing of air sports equipment in India. Key features of the Policy are as follows:

- **Governance structure**: The policy has a four-tier governance structure for air sports in India: (i) Air Sports Federation of India (ASFI) (apex governing body), (ii) national associations for individual air sports or set of air sports, (iii) regional or state-level air sports associations, and (iv) district-level air sports association.

- ASFI will be an autonomous body under the Ministry of Civil Aviation and provide governance over all aspects of air sports such as regulation, certification, and penalties. It will be chaired by the secretary of Ministry of Civil Aviation.

- National air sports associations will be accountable to ASFI for regulatory oversight and for providing safe, affordable, and sustainable conduct of their respective sports. Each air sports association will elect its own president, secretary, and treasurer. Each air sports association is required to: (i) lay down the safety standards for equipment, infrastructure, personnel, and training as per global best practices, (ii) establish norms for insurance and compensation in cases of adverse events, and (iii) specify the disciplinary actions to be taken in case of deviations and wilful non-compliance.

- **Safety**: The policy prohibits any person or entity involved in air sports from violating the right of way of a manned aircraft. Further, any air sports accident must be reported (in writing) within 48 hours of occurrence to the concerned air sports association and the ASFI. If the persons or entities involved in the accident fail to adhere to these requirements, it may lead to penal action.

### Guidelines issued to make sports facilities accessible to sportspersons with disabilities

The Department of Sports, Ministry of Youth Affairs and Sports, notified Guidelines on Accessible Sports Complex and Residential Facilities for Sports Persons with Disabilities in December 2022. The guidelines give effect to the Rights of Persons with Disabilities Act, 2016, which mandates the Central Government to formulate rules for standards of accessibility for public facilities. The guidelines cover structural elements of sports facilities that must be made accessible. These include entrances that are easy to locate, uniform and clearly identified staircases, and the inclusion of lifts in multi-storied buildings, which must be capable of accommodating wheelchair users. The guidelines also provide standards for features such as signage for people with visual impairments, and specially adapted sports equipment such as lightweight wheelchairs designed for sports use.

### Women and Child Development

#### Amendments to Juvenile Justice (Care and Protection of Children) Model Rules, 2016 notified

The Ministry of Women and Child Development notified amendments to the Juvenile Justice (Care and Protection of Children) Model Rules, 2016 on September 01, 2022. The Rules were notified under the Juvenile Justice (Care and Protection of Children) Act, 2015. States may adopt these Rules to implement provisions of the Act. Key amendments include:

- **Membership of Child Welfare Committees (CWCs)**: The Rules provide that the Chairperson and members of CWCs should be above 35 years of age. Qualifications of these
members include: (i) minimum seven years of experience working with children in various fields such as education, or health, or (ii) practicing professional with a degree in child psychology, or (iii) retired judicial officer. The amendments add a maximum age limit of 65 years for the Chairperson and members. Further, they must have a degree in any relevant field which includes child psychology, law, social work, or special education for differently abled children. In addition, they should also have relevant work experience which includes involvement in health, education, or welfare activities for children for minimum seven years.

- **Grievances against CWC:** The amendments added that any grievance against the functioning of CWCs may be filed by the affected child (or anyone connected with the child) before the District Magistrate (DM). The grievance must be disposed of within 30 days of filing.

- **Adoption related reporting:** The CWCs provide data on children declared legally free for adoption and cases pending for decisions to the Central Adoption Resource Authority (CARA). The amendments add that CARA will provide such information on a monthly basis. Such information will also be provided to the DM who, after reviewing the information, shall take measures to expedite the process of adoption of children.

**Pradhan Mantri Matru Vandana Yojana Rules, 2022 notified**

The Ministry of Women and Child Development in December 2022, notified the Pradhan Mantri Matru Vandana Yojana (PMMY) Rules, 2022 under the National Food Security Act, 2013. They replaced the Indira Gandhi Matritva Sahyog Rules, 2016. The 2022 Rules provide a framework for extending maternity benefits to eligible beneficiaries. Key features include:

- **Eligibility of maternity benefit:** Under the 2016 Rules, every pregnant woman and lactating mother of age 19 years and/or above was entitled to maternity benefit. As per the 2022 Rules, the criteria to identify eligible beneficiaries include women who: (i) belong to scheduled castes or scheduled tribes, (ii) are partially disabled (40%) or fully disabled, (iii) are holders of BPL ration card/E-shram card/MNREGA job cards, (iv) are beneficiaries under Pradhan Mantri Jan Arogya Yojana, or (v) have a net family income of less than eight lakh rupees per annum. Maternity benefits will be given to all eligible pregnant women and lactating mothers after registration. Pregnant women and lactating mothers employed by the central or state government or public sector undertaking will not be entitled to these benefits.

- **Registration of beneficiaries:** Under the 2022 Rules, beneficiaries must register themselves at: (i) an anganwadi centre set up under the Integrated Child Developed Services, (ii) an approved health facility of Health and Family Welfare Department of their respective state government or union territory, or (iii) online on their own.

- **Conditions to receive maternity benefit:** Under the 2022 Rules, beneficiaries will receive Rs 5,000 on the birth of the first child and Rs 6,000 on the birth of the second child if the child is a girl. The maternity benefit for the first living child shall be provided in two instalments if the beneficiary: (i) registers the pregnancy, and (ii) goes for at least one antenatal check-up within six months from her last menstruation cycle. The second instalment will be payable on registering the childbirth and with the child receiving all due vaccines till the age of 14 weeks. Incentives on the birth of the second child will be paid in a single instalment on registering the birth and the child receiving all due vaccines till the age of 14 weeks.

**Social Justice and Empowerment**

**Scheme launched to provide scholarship to children whose parents died due to COVID**

The central government launched a new central sector scheme in May 2022, to provide scholarship assistance to certain children to continue their education. The scheme is targeted at children who have lost their parents (biological or adoptive) or legal guardian to COVID-19. Under the scheme, scholarship is disbursed to children through direct benefit transfer, from Class I till Class XII. Scholarship allowance worth Rs 20,000 per child per annum is provided. This comprises: (i) an annual academic allowance of Rs 8,000 to cover the school fees, and the cost of books, uniform, shoes and other educational material, and (ii) a monthly allowance of Rs 1,000.
Commission constituted to examine the status of Scheduled Castes

In October 2022, the Central government appointed a Commission (Chairperson: Justice K. G. Balakrishnan, former Chief Justice of India) to examine the status of Scheduled Castes (SC). The terms of reference of the Commission include examining: (i) matters of according SC status to new persons who claim to historically have belonged to the SC community but have converted to other religions, (ii) implications of according SC status to new persons on existing SC community, and (iii) changes SC persons go through on converting to other religions in terms of their customs, traditions etc. The Commission is required to submit its report within two years.

Rural Development

Continuation of Rashtriya Gram Swaraj Abhiyan approved

In April 2022, the Cabinet Committee on Economic Affairs approved the continuation of the revamped centrally sponsored Scheme of Rashtriya Gram Swaraj Abhiyan (RGSA) during 2022 to 2026. RGSA aims to strengthen Panchayati Raj Institutions (PRIs) for achieving Sustainable Development Goals (SDGs). The scheme applies to all states and UTs. The revamped scheme aims to enhance the capacities of elected representatives of PRIs to deliver on SDGs at a local level (such as poverty free villages, healthy village, child friendly village). It also aims to: (i) converge capacity building initiatives of other Ministries, (ii) provide evidence-based studies for PRIs, and (iii) undertake activities related awareness generation and dissemination of government policies. No permanent posts will be created under the Scheme. However, need based contractual human resources may be provisioned for overseeing the implementation of the scheme.

The estimated cost for the scheme for 2022-26 is Rs 5,911 crore. Central share will be Rs 3,700 crore, while the state share will be Rs 2,211 crore.

Minority Affairs

Naya Savera and Nai Udaan Schemes discontinued

Two schemes that provided students from minority communities assistance with competitive examinations were discontinued in February 2023. They were discontinued in line with the National Education Policy, 2022 (NEP). The NEP states that the existing structure of exams will be reformed to eliminate need for coaching classes.

The first scheme was the ‘Free Coaching and Allied Schemes’ (Naya Savera) aimed to empower students from minority communities to prepare for competitive examinations. The second scheme was the ‘Support for Students Clearing Prelims Conducted by UPSC, SSC, State Public Service Commissions’ (Nai Udaan) provided financial support for students who had cleared preliminary examinations for the mentioned examinations. In 2023-24 Rs 30 crore has been allocated to clear pending liabilities under the Naya Savera Scheme. Two crore rupees were allocated towards Nai Udaan in 2022-23.

Tribal Affairs

Several Bills to change the status of SC and ST communities were passed by Parliament

Jharkhand: The Constitution (Scheduled Castes and Scheduled Tribes) Orders (Amendment) Bill, 2022 was passed in April, 2022. The Bill included certain communities in the list of STs in Jharkhand. These are the Deshwarri, Ganjhu, Dautalbandi (Dwalbandi), Patbandi, Raut, Maajhia, Khairi, Tamaria, and Puran communities. Further, the Bill omitted the Bhogta community from the list of SCs in Jharkhand. The community is instead being included in the list of STs in the state. The Bill was passed by Parliament in April 2022.

For a PRS summary of the Bill, see here.

Tripura: The Constitution (Scheduled Tribes) Order (Amendment) Bill, 2022 was passed in December 2022. The Bill included the Darlong community as a sub-tribe of the Kuki tribe in the list of STs in Tripura.

For a PRS summary of the Bill, see here.
Recognition of Gond community as an ST in Uttar Pradesh: The Constitution (Scheduled Castes and Scheduled Tribes) Orders (Second Amendment) Bill, 2022 was passed in December 2022. The Bill transferred the Gond community from the list of SCs to the list of STs in four districts of Uttar Pradesh: (i) Chandauli, (ii) Kushinagar, (iii) Sant Kabir Nagar, and (iv) Sant Ravidas Nagar.

For a PRS Bill Summary, please see here.

Tamil Nadu: The Constitution (Scheduled Tribes) Order (Second Amendment) Bill, 2022 was passed in December 2022. The Bill included the Narikoravan and Kurivikkaran communities in the list of Scheduled Tribes in Tamil Nadu.

For a PRS summary of the amendments, see here.

Karnataka: The Constitution (Scheduled Tribes) Order (Fourth Amendment) Bill, 2022 was passed in December 2022. The Bill included Betta-Kuruba as a synonym for Kadu Kuruba community in the list of Scheduled Tribes in Karnataka.

For a PRS summary of the amendments, see here.

Lok Sabha passed two Bills to amend the Constitution (Scheduled Tribes) Order, 1950

Lok Sabha passed the Constitution (Scheduled Tribes) Order (Third Amendment) Bill, 2022, and the Constitution (Scheduled Tribes) Order (Fifth Amendment) Bill, 2022 in December 2022. The Bills amend the Constitution (Scheduled Tribes) Order, 1950, with respect to its application in Himachal Pradesh and Chhattisgarh, respectively. As per the Third Amendment Bill, the Hattee community of Trans Giri area of Sirmour district will be included in the list of Scheduled Tribes in Himachal Pradesh. The Fifth Amendment Bill, includes the Dhanuwar, Dhanuwar, Kisan, Saonra, Saonra, and Binjha communities in the list of Scheduled Tribes in Chhattisgarh. The Bill also substitutes names of certain tribal communities in the Constitution Order with corresponding names in the Hindi version of the Madhya Pradesh Reorganisation Act, 2000.

For PRS summary of amendments related to Himachal Pradesh and Chhattisgarh, please see here and here.

North East

Cabinet approved PM-DEVINE to develop infrastructure projects in north east region

In October 2022, the Union Cabinet approved Prime Minister’s Development Initiative for North East Region (PM-DEVINE) scheme. The scheme was announced in the 2022-23 Union Budget. The objectives of the scheme include: (i) funding infrastructural projects, (ii) supporting social development projects based on the needs of the north east, and (iii) creating livelihood activities for youth and women. PM-DEVINE is a central sector scheme and will have an outlay of Rs 6,600 crore for the period 2022-23 to 2025-26. It is implemented by the Ministry of Development of North Eastern Region through the North Eastern Council or Central Ministries/agencies. In the 2023-24 Union Budget, the scheme has been allocated Rs 2,200 crore.

Housing and Urban Affairs

Parliament passed Bill to unify Municipal Corporations in Delhi


- **Unification of Municipal Corporations in Delhi**: The Bill replaced the three municipal corporations under the Act with one Corporation named the Municipal Corporation of Delhi.

- **Powers of the Delhi government**: The Act, as amended in 2011, empowered the Delhi government to decide various matters under the Act. The Bill amended this to empower the central government to decide these matters. These matters include: (i) total number of seats of councillors and number of seats reserved for members of the Scheduled Castes, (ii) division of the area of corporations into zones and wards, (iii) delimitation of wards, (iv) matters such as salary and allowances and leave of absence of the Commissioner, (v) sanctioning of consolidation of loans by a corporation, and (vi) sanctioning suits for compensation against
the Commissioner for loss or waste or misapplication of Municipal Fund or property.

- **Number of councillors:** The Act provided that the number of seats in the three corporations taken together should not be more than 272. The 14th Schedule to the Act specified 272 wards across the three Corporations. The Bill amended this to specify that the total number of seats in the new Corporation should not be more than 250.

For a PRS summary of the Bill, please see [here](#).

### PMAY-(U) extended up to December 2024

In August 2022, the Union Cabinet approved extension of the Pradhan Mantri Awas Yojana-Urban (PMAY-U) up to December 31, 2024.292 The central government had launched PMAY-U in June 2015 to provide ‘housing for all’ within urban areas. The scheme was earlier applicable till March 31, 2022. Under PMAY-U, financial assistance is provided by the central government, and states/UTs are responsible for implementing the scheme including the selection of beneficiaries. Out of the total 123 lakh houses sanctioned since the launch of the scheme, states/UTs presented proposals for 40 lakh houses during the last two years of the scheme. Therefore, based on requests from states/UTs, the Union Cabinet approved extending PMAY-U to allow states more time for constructing the houses.

The Standing Committee on Housing and Urban Affairs (Chair: Mr. Rajiv Ranjan Singh) submitted its report on ‘Evaluation of Implementation of Pradhan Mantri Awas Yojana (Urban)’ in March 2023.293 The Committee made several observations and recommendations related to issues such as the lack of basic facilities in houses and absence of timeline for completing house. For a PRS summary of the report, see [here](#).

### Draft amendments to Delhi Development Act, 1957 released

In August 2022, the Ministry of Housing and Urban Affairs released draft amendments to the Delhi Development Act, 1957.294 The Act regulates developmental activities in Delhi and set up the Delhi Development Authority (DDA).295 Key features of the amendments include:

- **Land pooling and urban regeneration:** The amendment adds that DDA may notify the policies for land pooling and urban regeneration. Land pooling refers to the assembly of land under different ownerships and its redistribution for the purposes of integrated planning. Urban regeneration refers to the re-development of an urbanised village. DDA may notify sectors as land pooling areas and urban regeneration areas. Urban Local Bodies may also notify urban regeneration areas. Further, the central government may direct DDA to notify sectors as land pooling and urban regeneration areas. Once a sector has been notified as a land pooling area or urban regeneration area, all landowners must participate in land pooling and urban regeneration. Persons in contravention of the Land Pooling Policy or the Urban Regeneration Policy will be subject to imprisonment up to six months, or a fine up to Rs 10 lakh, or both.

- **Transferable Development Rights (TDR):** DDA may with the consent of the owner, acquire land/property for public purposes by compensating through TDR as prescribed by the central government. TDR refers to a transferrable right granted in the form of a certificate to construct or develop floor area to persons who have not been able to utilise the permissible floor area ratio (FAR) on their own plots. For instance, people may not be able to utilise FAR due to proximity to a monument or restrictions due to power lines. FAR is the ratio of a building's total floor area (gross floor area) to the size of the piece of land upon which it is built. Persons receiving TDR certificates can sell them in specified TDR receiving areas.

### Environment

#### Parliament passed the Wild Life (Protection) Amendment Bill, 2021

In December 2022, Parliament passed the Wild Life (Protection) Amendment Bill, 2021.296 The Bill amended the Wild Life (Protection) Act, 1972.297 The Act regulates the protection of wild animals, birds and plants. The Bill increased the species protected under the law, and implements the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). The Bill was also examined by the Standing Committee on Environment which presented its report in April 2022.298,299 Key features of the Bill include:

- **CITES:** CITES is an international agreement between governments to ensure that international trade in specimens of wild animals and plants does not threaten the survival of the species. Under CITES, plant
and animal specimens are classified into three categories (Appendices) based on the threat to their extinction. CITES requires countries to regulate the trade of all listed specimens through permits. It also seeks to regulate the possession of live animal specimens. The Bill implements these provisions of CITES.

- **Conservation reserves**: Under the Act, state governments may declare areas adjacent to national parks and sanctuaries as a conservation reserve, for protecting flora and fauna, and their habitat. The Bill empowers the central government to also notify a conservation reserve.

- **Invasive alien species**: The Bill empowers the central government to regulate or prohibit the import, trade, possession or proliferation of invasive alien species. Invasive alien species refer to plant or animal species which are not native to India and whose introduction may adversely impact wild life or its habitat. The central government may authorise an officer to seize and dispose the invasive species.

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

**Parliament passed Bill to regulate Indian expeditions to the Antarctic region**

The Indian Antarctic Bill, 2022 was passed by Parliament in August 2022. The Bill gave effect to the Antarctic Treaty, the Convention on the Conservation of Antarctic Marine Living Resources, and the Protocol on Environmental Protection to the Antarctic Treaty. It protects the Antarctic environment and regulates activities in the region. Key features of the Bill are as follows:

- **Applicability**: The provisions of the Bill apply to any person, vessel or aircraft that is a part of an Indian expedition to Antarctica under a permit issued under the Bill. Areas comprising of Antarctica include: (i) the continent of Antarctica, including its ice-shelves, and all areas of the continental shelf adjacent to it, and (ii) all islands (including their ice-shelves), seas, and air space south of 60°S latitude.

- **Central committee**: The central government is to establish a Committee on Antarctic Governance and Environmental Protection. The functions of the Committee include: (i) granting permits for various activities, (ii) implementing and ensuring compliance of relevant international laws for protection of Antarctic environment, (iii) obtaining and reviewing relevant information provided by parties to the Treaty, Convention, and Protocol, and (iv) negotiating fees/charges with other parties for activities in Antarctica.

- **Requirement of permit**: A permit by the Committee or written authorisation from another party to the Protocol (other than India) is required for various activities such as: (i) an Indian expedition to enter or remain in Antarctica, (ii) a person to enter or remain in an Indian station in Antarctica, (iii) a vessel or aircraft registered in India to enter or remain in Antarctica, (iv) a person or vessel to drill, dredge or excavate for mineral resources, or collect samples of mineral resources, (v) activities which may harm the native species, and (vi) waste disposal by a person, vessel, or aircraft in Antarctica.

For a PRS summary of the Bill, please see [here](#).

**Forest (Conservation) Amendment Bill, 2023 introduced in Lok Sabha**

In March 2023, the Forest (Conservation) Amendment Bill, 2023 was introduced in Lok Sabha and subsequently referred to a Joint Parliamentary Committee. The Bill amends the Forest Conservation Act, 1980 which provides for conservation of forest land. The Bill adds and exempts certain types of land from the purview of the Act. Further, it expands the list of activities permitted to be carried out on forest land. Key features of the Bill are:

- **Restrictions on activities in forest**: The Act restricts the de-reservation of forest or use of forest land for non-forest purposes. Such restrictions may be lifted with the prior approval of the central government. Non-forest purposes include use of land for cultivating horticultural crops or for any purpose other than reforestation. The Act specifies certain activities that will be excluded from non-forest purposes, i.e., the restrictions on de-reservation of forest or use of forest land for non-forest purposes will not apply. These activities include works related to the conservation, management, and development of forest and wildlife such as establishing check posts, fire lines, fencing, and wireless communication. The Bill adds more activities to this list such as: (i) zoos and safaris under the Wild Life (Protection) Act, 1972 owned by the government or any authority, in forest areas other than protected areas, (ii) ecotourism facilities, (iii) silvicultural operations (enhancing forest growth), and (iv) any other purpose specified by the central government. Further, the central government may specify terms and conditions to exclude any survey
Land under the purview of the Act: The Bill provided that two types of land will be under the purview of the Act: (i) land declared/notified as a forest under the Indian Forest Act, 1927 or under any other law, or (ii) land not covered in the first category but notified as a forest on or after October 25, 1980 in a government record. Further, the Act will not apply to land changed from forest use to non-forest use on or before December 12, 1996 by any authority authorised by a state/UT.

For a PRS summary of the Bill, see [here](#).

### Report of the Joint Parliamentary Committee on the Biological Diversity (Amendment) Bill, 2021 tabled

The report of the Joint Parliamentary Committee on the Biological Diversity (Amendment) Bill, 2021 (Chair: Dr. Sanjay Jaiswal) was tabled in Parliament in August 2022. The Bill which amends the Biological Diversity Act, 2002 was introduced in Lok Sabha in December 2021. The Act provides for the conservation of biodiversity and sharing of benefits from access to biodiversity and associated knowledge with local communities. Key observations and recommendations of the Committee are as follows:

- **Codified traditional knowledge**: The Bill exempts access to codified traditional knowledge from benefit-sharing provisions. However, it does not define the term ‘codified traditional knowledge’. The Committee observed that most of the traditional knowledge in the AYUSH system of medicine is codified. It also observed that traditional knowledge registered in the people biodiversity register may also be taken as codified. This may lead to denial of benefit to a majority of local traditional knowledge holders. The register is prepared by the local authorities to document biodiversity as per the provisions of the Act. The Committee recommended that the term be defined in the Bill. It should be defined as the knowledge derived from authoritative books specified in the First Schedule of the Drugs and Cosmetics Act, 1940. The Schedule lists books on Ayurveda, Siddha, and other traditional medicine systems.

- **Cultivated medicinal plants**: The Bill exempts access to cultivated medicinal plants from benefit-sharing provisions. It provides that the central government may prescribe a manner of issuing certification of origin for cultivated medicinal plants. The Committee recommended removing the rule-making power. It instead recommended providing further clarification regarding the issuance of the certificate in the Bill itself. The Bill should provide that a certificate of origin will be obtained through an entry into the books of the concerned local authorities.

For an analysis of the Bill and PRS summary of the Report, please see [here](#).

### Battery Waste Management Rules, 2022 notified

In August 2022, the Ministry of Environment, Forest and Climate Change notified the Battery Waste Management Rules, 2022, under the Environment (Protection) Act, 1986. These rules replaced the Batteries (Management and Handling) Rules, 2001 and prescribed the standards for management of various types of waste batteries. Waste Battery includes: (i) used/end-of-life battery and its hazardous/non-hazardous components, (ii) battery diverted during the manufacturing process, and (iii) expired or discarded battery. Key features of the Rules are:

- **Extended Producer Responsibility (EPR)**: The producers of batteries have to ensure the collection, recycling, and refurbishment of the Waste Batteries. The EPR targets are specific to the kind of battery (e.g., Lithium-ion, Lead-acid) within each type of battery- portable, automotive, electric, and industrial. EPR mandates the minimum use of domestically recycled materials (e.g., lithium, nickel, cobalt) in a new battery.

- **Responsibilities of consumers**: The Consumers should ensure: (i) discarding waste battery separately from other types of waste, and (ii) dispose waste batteries by giving it to an entity engaged in collection, refurbishment, or recycling.

- **Committee for implementation**: The central government will constitute a Committee (Chairman, Central Pollution Control Board) to recommend measures to the Ministry of Environment, Forest and Climate Change for implementation of the Rules. The Committee will consist of relevant stakeholders such as members from various Ministries, State and Central Pollution Control Boards, and associations representing various stakeholders such as recyclers and producers.

- **Centralised Online Portal**: The Central Pollution Control Board (CPCB) will create a
centralised online portal for the registration and return filing of waste batteries. The online portal will facilitate the generation and exchange of the EPR certificates between the producers and recyclers/refurbishers to meet the producer’s obligations.

**Environmental Compensation:**
Environmental Compensation will be levied by CPCB on entities in violation of the Rules.

### E-Waste (Management) Rules, 2022 notified

The Ministry of Environment, Forest and Climate Change notified the E-Waste (Management) Rules, 2022 under the Environment (Protection) Act, 1986 in November 2022.\(^{308,309}\) The Rules replaced the E-Waste (Management) Rules, 2016.\(^{310}\) The 2022 Rules provide details for management of e-waste. E-waste refers to electrical and electronic equipment, including solar photovoltaic modules or panels or cells, discarded as waste. The Rules apply to manufacturer, producer, refurbisher, dismantler, and recycler involved in managing (includes manufacturing, sale, recycling, refurbishing) e-waste. These entities are required to register on an online portal developed by the Central Pollution Control Board (CPCB). Key features of the Rules are:

**Responsibilities of different entities:** The Rules prescribed responsibilities for different entities engaged in managing e-waste. These include: (i) manufacturers ensuring collection and recycling/disposal of e-waste produced during manufacturing of electrical and electronic equipment, (ii) producers of electrical and electronic equipment meeting certain targets for e-waste recycling, and (iii) recyclers ensuring that the recycling facility and process is in line with standards of CPCB and material not recycled in its facility is sent to registered recyclers. Further, bulk consumers of electrical and electronic equipment shall ensure that the e-waste generated is given to registered producer, refurbisher, or recycler. Bulk consumers are referred to as entities that have used at least 1,000 units of electrical and electronic equipment at any point in the financial year. It also includes e-retailers.

**Reducing use of hazardous substances:** The 2022 Rules prescribed certain standards for producers of electrical and electronic equipment to reduce hazardous substances in their equipment. These include that new equipment produced should not contain lead, mercury, cadmium, and hexavalent chromium. The CPCB is required to conduct random sampling of equipment available in the market to monitor compliance of reduction of hazardous substances.

**Steering Committee:** A Committee under the Chairman of CPCB will be formed to oversee the implementation of the Rules. Members of the Committee include representatives from various Ministries such as Environment, Forest and Climate Change, Electronics and Information Technology, and New and Renewable Energy. Further, the Committee will also have representatives from electrical and electronic equipment Producer and Manufacturer Association, and E-waste Recycler Associations.

### Amendments to Plastic Waste Management Rules, 2016 notified

In July 2022, the Ministry of Environment, Forest and Climate Change notified amendments to the Plastic Waste Management Rules, 2016 under the Environment Act, 1986.\(^{311,312,313,314,315}\) The Rules lay down standards for manufacturing and selling material (such as bags and packaging material) produced from plastic. The Rules also specify the framework for plastic waste management. Key features of the amendments include:

**Biodegradable plastics:** The amendments added that before marketing or selling, manufacturers/sellers of biodegradable plastics should obtain a certificate from the Central Pollution Control Board (CPCB). Further, biodegradable plastics should conform to standards notified by Bureau of Indian Standards and certified by the CPCB. The amendments defined biodegradable plastic as plastic (other than compostable plastic) that undergoes degradation through biological processes without leaving residue harmful to the environment.

**Environmental compensation:** The amendments added that environmental compensation will be levied on persons not complying with the provisions of the Rules as per guidelines notified by CPCB.

**Implementations of Rules in UTs:** State Pollution Control Board (SPCB) and Pollution Control Committee (PCC) are responsible for enforcing the Rules in UTs. The amendments added that the Central Pollution Control Board will also be responsible for enforcing the Rules in UTs.

**Registration of manufacturers:**
Manufacturers of carry bags, recycled plastic bags, or multi layered packaging must obtain registration from the SPCB or the PCC of the
The amendments provide that such manufacturers have to obtain registration from: (i) SPCB/PCC of the UT if operating in one or two states or UTs, or (ii) the CPCB, if operating in more than two states or UTs.

Amendments to the 2006 Environment Impact Assessment notification

The Ministry of Environment, Forest and Climate Change amended the Environment Impact Assessment (EIA) Notification, 2006 in April 2022. Under the 2006 notification, certain categories of projects (such as mining, oil and gas exploration, airports, ports, and highways) require prior environmental clearance (EC). Key amendments to the 2006 notification include:

- **Validity of EC extended:** The notification amended the period of validity of EC.

  **Table 12: Changed period of validity of EC**

<table>
<thead>
<tr>
<th>Projects</th>
<th>2006 notification</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>River valley projects</td>
<td>10 years</td>
<td>13 years</td>
</tr>
<tr>
<td>Mining projects</td>
<td>Up to 30 years</td>
<td>Up to 50 years*</td>
</tr>
<tr>
<td>Nuclear power projects</td>
<td>Not specified</td>
<td>15 years</td>
</tr>
<tr>
<td>Others</td>
<td>7 years</td>
<td>10 years</td>
</tr>
</tbody>
</table>

Note: Validity of EC may be extended beyond 30 years, by up to 20 years, subject to periodic review and adequate environmental safeguards. The period of validity of EC will be counted from the date of execution of the mining lease.

Sources: Ministry of Environment, Forest and Climate Change; PRS.

- **Grant of EC:** The 2006 notification creates two categories of projects (A and B) based on their potential impact. EC will be granted by: (i) central government for Category A projects, and (ii) State EIA Authorities for category B projects. To decentralise the EC process and facilitate clearances at the state level, the amendments altered the threshold limit for categorisation of projects. For instance, river valley projects generating above 50 megawatt (MW) of hydroelectric power earlier fell under category A. The amendments increased this threshold to 100 MW.

- **Strategic projects:** Category B projects relating to national defence and of strategic importance are appraised at the state level. The amendment provided that such projects will be appraised at the central level.

- **No prior EC requirement for ropeways:** All aerial ropeways are category B projects under the 2006 notification. The amendments removed ropeways from the list of projects requiring prior EC.

India updated its Nationally Determined Contribution

In August 2022, the Union Cabinet approved India’s updated Nationally Determined Contribution (NDC). In 2015, under the Paris Agreement, several countries including India had submitted their Intended NDC to address climate change. This was aimed at limiting global temperature rise preferably to 1.5°C above pre-industrial level. At the 2021 Glasgow Conference (COP 26), India announced certain revised targets to be achieved by 2030. The changes in India’s NDCs are:

- **Emission intensity of GDP:** The NDC submitted in 2015 provided for reducing emission intensity of GDP by 33% to 35% by 2030 compared to 2005 levels. The revised target seeks to reduce the intensity by 45% by 2030 compared to 2005 levels.

- **Power from non-fossil sources:** The 2015 target was to increase cumulative electric power installed capacity from non-fossil sources to 40% by 2030. As of July, 2022 India’s electric power installed capacity from non-fossil sources is 42%. The updated NDC increases the target to 50%.

Other targets to be achieved by 2030 announced by India at COP 26 are: (i) increasing non-fossil energy capacity to 500-gigawatt, and (ii) reducing the carbon intensity of the economy by less than 45%. Further, India committed to achieve net zero emissions by 2070.

India submitted its Long-Term Low Emission Development Strategy at COP27

In November 2022, India submitted its Long-Term Low Emission Development Strategy to the United Nations Framework Convention on Climate Change (UNFCCC), at the 27th Conference of Parties (COP27). Key features of the strategy are as follows:

- **Utilisation of resources:** The focus will be on rational utilisation of national resources with
due regard to energy security. The transition from fossil fuels will be undertaken in a just, smooth, sustainable, and inclusive manner.

- **Transport sector**: Increased use of electric vehicles, bio-fuels, especially ethanol blending in petrol, and green hydrogen fuel are expected to decrease carbon emission in the transport sector. India will focus on 20% ethanol blending in petrol by 2025 and a shift towards public transport.

- **Urbanisation**: Urban development will be driven by smart city initiatives, integrated planning, innovative solid and liquid waste management, and green building codes.

- **Industrial sector**: Low carbon development transition in the industrial sector should not impact energy security, energy access, and employment. The focus will be on improving energy efficiency, high level of electrification in relevant processes, and enhancing material efficiency and recycling leading to expansion of circular economy.

- **Transition to low carbon development**: The transition to low carbon development will involve several costs for developing new technologies, new infrastructure, and other transition costs. Provision of climate finance by developed countries will a significant role and needs to be enhanced in the form of grants and concessional loans predominantly from public sources.

### Projects approved for pollution abatement in Ganga Basin and Ghat Development

The Executive Committee of the National Mission for Clean Ganga approved nine projects worth Rs 1,278 crore for pollution abatement in the Ganga Basin and Ghat Development in February 2022. Seven pertain to pollution abatement in the Ganga Basin and two to ghat development. Key features of the projects in different states are:

- **Uttar Pradesh**: Four projects were approved in the state with a total outlay of Rs 517 crore. Three projects worth Rs 422 crore were approved to increase the capacity of Salori-based sewage treatment plants near Prayagraj. A project for the rejuvenation of the River Kali East by development of a constructed wetland systems was approved. Constructed wetlands are treatment systems that utilise natural processes involving wetland vegetation, soil, and microbes to improve water quality. The project was allocated around Rs 95 crore.

- **Madhya Pradesh**: A project was approved to abate pollution in the River Kahn and Saraswati in Indore. It involves construction of three sewage treatment plants and creation of treated water reuse network between the proposed treatment plants. The project was allocated Rs 511 crore.

- **West Bengal**: A project worth Rs 123 crore was approved for the creation of two sewage treatment plants.

- **Bihar**: Two projects were approved with an outlay of Rs 104 crore. Out of which, Rs 94 crore will be allocated to the development of two water sewage treatment plants.

- **Pollution Inventorisation, Assessment and Surveillance on Ganga Basin (PIAS)**: A project piloted by the Central Pollution Control Board to monitor industrial pollution was approved. PIAS was allocated Rs 114 crore. The project will annually inspect and monitor gross polluting industries, drains, and sewage treatment plants.

### Environmental release of genetically engineered mustard recommended

The Genetic Engineering Appraisal Committee (GEAC) under the Ministry of Environment, Forest and Climate Change recommended the environmental release of certain genetically engineered mustard in October 2022. This included producing and testing the mustard hybrid variety DMH-11 prior to its commercial release. The testing will be done as per existing guidelines by the Indian Council for Agricultural Research and other existing rules and regulations. GEAC had also recommended releasing parental lines of genetically engineered mustard carrying certain specified genes, in order to develop new parental lines and hybrids. These clearances have been granted subject to certain conditions. For instance, the commercial use of DMH-11 shall be subject to the Seeds Act, 1966. The environmental approval shall be valid for four years, after which it may be renewed for two years at a time based on a compliance report.

GEAC also noted that field demonstration studies must be carried out for two years after the environmental release, in order to understand its effect on honeybees and other pollinators. The studies may be conducted under the supervision of the Indian Council for Agricultural Research. The recommendations have been made following the report of the Expert Committee (Chair: Dr. Sanjay K. Mishra), which noted that certain genetically engineered mustard genes are unlikely to adversely impact pollinators.
Draft rules for utilising crop residue in power generation released

In February 2023, the Ministry of Environment, Forest, and Climate Change released draft Agro Residue Utilisation by Thermal Power Plants Rules, 2023. The draft rules apply to all thermal power plants which fall within the jurisdiction of the Ministry of Environment, Forest, and Climate Change released draft Agro Residue Utilisation by Thermal Power Plants Rules, 2023. The draft rules apply to all thermal power plants which fall within the jurisdiction of the Commission for Air Quality Management in National Capital Region and Adjoining Areas. Adjoining areas refer to areas in Uttar Pradesh, Haryana, Rajasthan, and Punjab. As per the draft rules, all coal based thermal power plants must annually use at least 5% of blended pellets/briquettes made up of crop residue, along with coal. Pellets/briquettes are a type of solid fuel typically made of combustible biomass material. Thermal plants that fail to comply will be charged compensation based on the percentage of crop residue pellets co-fired. The compliance charges will be increased from 2025-26.

Food and Public Distribution

Cabinet approves free distribution of foodgrains under NFSA

PMGKAY was initially launched in April 2020 and discontinued in December 2022. Under the scheme, every month 5 kilogram of food grains per person is provided free of cost to all beneficiaries covered under the National Food Security Act, 2013. As of September 2022, six phases of the scheme have been implemented involving a cost of about Rs 3.45 lakh crore. This phase i.e., PMGKAY VII is estimated to entail an additional expenditure of about Rs 44,762 crore. In December 2022, the Union Cabinet approved the free distribution of foodgrains for one year under the National Food Security Act (NFSA), 2013. This distribution of foodgrains was been renamed as Pradhan Mantri Garib Kalyan Ann Yojana (PMGKAY) in December.

Under the NFSA, the government provides rice at three rupees per kg, wheat at two rupees per kg, and coarse grains at one rupee per kg to eligible beneficiaries. The free provision of foodgrains will be applicable till December 31, 2023. As per the Ministry of Consumer Affairs, Food and Public Distribution, it is expected to benefit around 81 crore people and will entail an expenditure of more than two lakh crore rupees.

Cabinet approved distribution of fortified rice across government schemes

In April 2022, the Union Cabinet approved the supply of fortified rice through the public distribution system (PDS) across the country by 2024. Currently, fortified rice is distributed under the Integrated Child Development Services (ICDS) and the PM-POSHAN (earlier Mid-Day Meal) schemes under all districts. Rice fortification is a process where micronutrients such as iron, folic acid, and Vitamin B12 are added to rice for overcoming the problem of malnutrition. The distribution will be extended to PDS in phases as depicted in Table 13.

Table 13: Phases under the scheme for supply of fortified rice

<table>
<thead>
<tr>
<th>Phase</th>
<th>Schemes to be covered</th>
<th>Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>II</td>
<td>TPDS and other welfare schemes in all aspirational and high burden districts on stunting</td>
<td>March 2023</td>
</tr>
<tr>
<td>III</td>
<td>TPDS and other welfare schemes in remaining districts</td>
<td>March 2024</td>
</tr>
</tbody>
</table>

Note: TPDS - Targeted Public Distribution System. Sources: Press Information Bureau; PRS.

The central government will bear the cost of fortification as part of food subsidy till June 2024 (an estimated Rs 2,700 crore annually). The quantity of rice lifted under each phase is: (i) 17.5 lakh metric tonne (LMT) under Phase-I and (ii) 92.7 LMT under Phase-II (as of February 2023).

Rules for regulation of food products prepared as per Ayurveda texts notified

In May 2022, the Food Safety and Standards Authority of India (FSSAI) notified the Food Safety and Standards (Ayurveda Aahara) Regulations, 2022. The Regulations were notified under the Food Safety and Standards Act, 2006. The 2006 Act regulates and lays down scientific standards for manufacturing, storage of ethanol, distribution, sale and import of food articles. The 2022 Regulations prescribed standards for food prepared as per recipes, ingredients or processes laid down in the specified authoritative books of Ayurveda. This has been defined as “Ayurveda aahara”. They do not cover Ayurvedic drugs, medicines or medicinal products, and cosmetic, narcotic or psychotropic substances listed under the Drugs and Cosmetics Act, 1940 and the Drugs and Cosmetics Rules, 1945. Key features of the Regulations are:

- **Constitution of an Expert Committee**: The FSSAI must set up an Expert Committee under the Ministry of Ayush. The Committee shall comprise relevant experts including representatives of the FSSAI. The Committee...
shall provide recommendations on the approval of claims and products and address concerns regarding registrations, licensing, certification, and testing or quality issues for Ayurveda aahara products.

- **Requirements:** The Regulations laid down general specifications for Ayurveda aahara products. These include: (i) allowing only certain food additives such as honey and jaggery, (ii) prohibiting addition of vitamins, minerals, and amino acids to the products, (iii) mandating labels to display information such as intended purpose of the product, target consumer group, a logo, and an “only for dietary use” advisory warning, (iv) prohibiting claims regarding the products’ ability to prevent, treat or cure any human disease, and (vi) adhering to microbiological standards related to food safety and production hygiene.
The Criminal Procedure (Identification) Bill, 2022

Parliament passed Bill to collect identifiable details of convicts and arrested persons

The Criminal Procedure (Identification) Bill, 2022 was passed by Parliament in April 2022. 343 The Bill replaced the Identification of Prisoners Act, 1920. 344 The 1920 Act authorised the collection of certain identifiable information about specified persons such as convicts for investigation of crime. The Bill expanded the ambit of such details, and persons whose details can be taken. It authorised the National Crime Records Bureau to collect, store, and preserve these details.

- **Details about convicts and other persons:** The Act permitted collection of photographs and specified details about convicts and other persons including finger impressions and footprint impressions. The Bill expanded the list of details that can be collected. It now includes: (i) palm-print impressions, (ii) iris and retina scans, (iii) behavioural attributes such as signatures, and (iv) other physical and biological samples such as blood, semen, hair samples, and swabs, and their analysis.

- **Persons whose details may be taken:** As per the Act, the following persons may be required to give photographs and specified details: (i) persons convicted of certain offences (such as offences punishable with a minimum of one year of rigorous imprisonment), (ii) persons ordered to give security for good behaviour or maintaining peace under the Code of Criminal Procedure, 1973 (CrPC), and (iii) persons arrested in connection with an offence punishable with at least one year of rigorous imprisonment. The Bill widened the ambit of such persons to include all convicts, arrested persons, as well as persons detained under any preventive detention law. Arrested persons will not be obliged to give their biological samples unless they have committed an offence against a woman or a child, or an offence punishable with a minimum of seven years of imprisonment.

- **Retention of details:** The Bill requires the details collected to be retained in digital or electronic form for 75 years from the date of collection. The record may be destroyed in case of persons who: (i) have not been previously convicted, and (ii) are released without trial, discharged, or acquitted by the court, after exhausting all legal remedies. A Court or a Magistrate may direct the retention of details in case of such persons after recording reasons in writing.

The Criminal Procedure (Identification) Rules, 2022 notified

In September 2022, the Ministry of Home Affairs notified the Criminal Procedure (Identification) Rules, 2022 under the Criminal Procedure (Identification) Act, 2022. 345, 346 The Rules specify the manner of taking certain information, persons authorised to collect information, manner of collecting, storing, sharing such records, and the disposal of such records. Key features of the Rules are as follows:

- **Taking measurements:** Under the Act, all convicts, arrested persons, and persons detained under any preventive detention law may be required to give their measurements. The Rules specify that for certain persons measurements will not be taken unless they have been charged or arrested in connection with any other offence. These persons include those violating prohibitory orders which are issued under Sections 144 or 145 of the Code of Criminal Procedure, 1973 (CrPC), or arrested under preventive detention under Section 151 of CrPC.

- **Storage of measurement records:** The Rules specify that the National Crime Records Bureau (NCRB) will issue the Standard Operating Procedure (SOP) for taking measurements including: (i) specifications and the format of the measurements to be taken, (ii) specifications of the devices to be used for taking these measurements, and (iii) the method of handling and storing these measurements at the state level. The SOPs may also provide: (i) the digital format to which each measurement should be converted before uploading on to the database, and (ii) the encryption method to be followed.

- **Destruction of records:** The Act provides that the records will be destroyed in case of persons who: (i) have not been previously convicted (of an offence with imprisonment), and (ii) are released without trial, discharged, or acquitted by the court, unless directed otherwise by the Magistrate or court. The NCRB will destroy the records as prescribed. The Rules provide that the SOP will provide the procedure for destruction and disposal of records. The state or central government or Union Territory...
administration will appoint a Nodal Officer to whom requests for destruction of record of measurements will be made. The Nodal Officer will recommend destruction of records to the NCRB after verifying that such records are not linked with any other criminal cases.

For a PRS analysis of the Rules and Bill see [here](#).

**Multi-State Cooperative Societies (Amendment) Bill, 2022 introduced in Lok Sabha; Committee report tabled**

The Multi-State Co-operative Societies (Amendment) Bill, 2022, was introduced in Lok Sabha on December 7, 2022. It amends the Multi-State Co-operative Societies Act, 2002. Multi state co-operative societies operate in more than one state. The Bill was subsequently referred to a Joint Parliamentary Committee for scrutiny. Key provisions of the Bill include the following:

- **Election of board members:** Under the Act, elections to the board of a multi-state co-operative society are conducted by its existing board. The Bill amends this to specify that the central government will establish the Co-operative Election Authority to: (i) conduct such elections, (ii) supervise, direct and control the preparation of electoral rolls, and (iii) perform other prescribed functions. The Authority will consist of a chairperson, vice-chairperson, and up to three members appointed by the central government on the recommendations of a selection committee.

- **Further, only active members will be eligible to be elected as a board member or office bearer of the co-operative society.** Active members are those who are availing a minimum level of products or services of the society, or attending at least three consecutive general meetings.

- **Redressal of complaints:** As per the Bill, the central government will appoint one or more Co-operative Ombudsmen with territorial jurisdiction. The Ombudsman shall inquire into complaints made by members of co-operative societies regarding: (i) their deposits, (ii) equitable benefits of the society’s functioning, or (iii) issues affecting the individual rights of the members. The Ombudsman shall complete the process of inquiry and adjudication within three months from the receipt of the complaint. Appeals against the directions of the Ombudsman may be filed with the Central Registrar (appointed by the central government) within a month.

- **Amalgamation of co-operative societies:** The Act provides for the amalgamation and division of multi-state co-operative societies. This can be done by passing a resolution at a general assembly. It requires at least two-thirds of the members, present and voting. The Bill allows co-operative societies (registered under state laws) to merge into an existing multi-state co-operative society. At least two-thirds of the members of the co-operative society present and voting at a general meeting must pass a resolution to allow such a merger.

The Bill was referred to a Joint Parliamentary Committee (Chair: Mr. Chandra Prakash Joshi) which presented its report in March 2022. In its report, the Committee endorsed most of the amendments proposed under the Bill.

For an analysis of the Bill, please see [here](#).

**Cabinet approved centrally sponsored scheme to develop certain border villages**

In February 2023, the Union Cabinet approved the Vibrant Village Programme. It aims to provide comprehensive development of villages on the northern border with China. About 663 villages will be taken up in the first phase of the scheme. Under the scheme, funds will be provided for the development of essential infrastructure and the creation of livelihood opportunities. Rs 4,800 crore has been allocated for the scheme, which will run from 2022-23 to 2025-26.

- **Outcomes:** Key outcomes identified include: (i) improving connectivity with all-weather roads, (ii) ensuring access to drinking water, (iii) focusing on solar and wind energy, (iv) improving access to internet and mobile connectivity, and (v) setting up Health and Wellness Centres.

- **Action Plan:** The district administration, with the help of the Gram Panchayat, shall create action plans for the village.

- **Road development:** Rs 2,500 crore will be allocated for road development (52% of total outlay). The scheme shall not overlap with the Border Area Development Programme.

- **Growth Centres:** The scheme will identify and develop local economic drivers and growth centres. These growth centres shall promote social entrepreneurship, skill development for youth and women, traditional knowledge systems, and the “one village-one product” through community-based organisations. Such organisations include Self Help Groups, cooperatives, and NGOs. One village-one product aims to support economic
revitalisation and rural development through promoting unique local products.  

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**Law and Justice**

**Supreme Court upholds reservation for economically weaker sections**

In January 2019, Parliament passed the Constitution (One Hundred and Third Amendment) Act, 2019.  
It empowered the central government to provide 10% reservation to economically weaker sections (EWS) in public employment and educational institutions. The Ministry of Social Justice and Empowerment identifies the eligibility for EWS as a person whose gross annual family income is less than eight lakh rupees or who owns agricultural or residential property less than the limits prescribed by the ministry.  
The amendment was challenged on the grounds that it violates the basic structure of the constitution in three ways: (i) economic criteria being the basis for providing reservations, (ii) Scheduled Castes (SCs), Scheduled Tribes (STs), and the non-creamy layer of Other Backward Classes (OBCs) being excluded from the definition of EWS, and (iii) an additional 10% reservation breaches the 50% reservation ceiling limit decided by the Supreme Court. The basic structure doctrine refers to the judicial principle that basic features of the Constitution cannot be amended or struck down by Parliament. Equality is a key feature of the basic structure doctrine.

In November 2022, the Supreme Court upheld the amendment, stating that reservation on the basis of economic criteria does not violate the basic structure of the Constitution.  
It observed that excluding SCs, STs, and OBCs from the scope of EWS does not violate the principles of non-discrimination and non-exclusion. The Court ruled that the Constitution already has existing special provisions for reservation for SCs, STs, and OBCs. People belonging to the EWS category form another separate disadvantaged group, and hence EWS reservation did not need to include other disadvantaged groups to be considered reasonable. The Court also held that an additional 10% reservation for EWS did not breach the reservation ceiling limit of 50% as: (i) the limit is not inflexible, and (ii) only applies to reservations for SCs, STs, and OBCs.

**Supreme Court suspended implementation of sedition law**

In May 2022, the Supreme Court suspended the enforcement of the law on sedition as contained in the Indian Penal Code, 1860 (IPC).  
The Court was hearing a batch of petitions challenging the constitutionality of section 124A of the IPC, relating to the offence of sedition. The central government informed the Court that it is re-examining this provision. In this light, the Court decided to discontinue the usage of this provision till its re-examination is complete.

In particular, the Court: (i) restrained the central and state governments from filing new cases or continuing investigations relating to the offence of sedition, and (ii) suspended all pending trials, appeals, and proceedings relating to sedition. It also permitted parties against whom a fresh case is registered for the offence of sedition, to approach the courts for relief.

**The Family Courts Bill passed by Parliament**

In August 2022, Parliament passed the Family Courts (Amendment) Bill, 2022.  
The Act allows state governments to establish Family Courts. The central government is empowered to notify dates for the Act to come into force in different states. The governments of Himachal Pradesh and Nagaland have set up Family Courts in their states under the Act. However, the central government had not extended the application of the Act to both these states.

**Application of the Act in Himachal Pradesh and Nagaland:** The Bill extended the application of the Act to the state of Himachal Pradesh, with effect from February 15, 2019, and to the state of Nagaland, with effect from September 12, 2008. The establishment of Family Courts in both the states will be retrospectively valid from these dates. All actions taken under the Act in both the states, including the appointment of judges, and orders and judgments passed by the Family Courts, will also be deemed valid retrospectively.

For a PRS summary of the Bill, see [here](#).

**Bill to rename the New Delhi International Arbitration Centre passed by Parliament**

Parliament passed the New Delhi International Arbitration Centre (Amendment) Bill, 2022 in December 2022.  
The Bill amended the New Delhi International Arbitration Centre Act, 2019. The Act provides for setting up the New Delhi International Arbitration Centre and designates it as an institute of national importance. The New Delhi International Arbitration Centre replaced the International Centre for Alternative Dispute Resolution. The Bill renamed the New Delhi...
International Arbitration Centre as the India International Arbitration Centre. It also corrected several drafting errors in the Act.

For a PRS summary of the Bill, please see [here](#).

**Repealing and Amending Bill, 2022 introduced in Lok Sabha**

The Repealing and Amending Bill, 2022, was introduced in Lok Sabha in December 2022. It seeks to repeal 65 laws that are obsolete or that have been made redundant by other laws. It also corrects a minor drafting error in the Factoring Regulation Act, 2011. Key features of the Bill include the following:

- **Repeal of laws:** The First Schedule of the Bill lists 24 laws that would be repealed. Of these laws, 16 are amending Acts and two are from before 1947.

- **Repeal of Appropriation Acts:** The Second Schedule of the Bill lists 41 Appropriation Acts that would be repealed. These Acts span the years from 2013 to 2017.

For a PRS summary of the Bill, see [here](#).

**Standing Committee submitted report on Mediation Bill, 2021**

The Standing Committee on Personnel, Public Grievances, Law and Justice (Chair: Mr. Sushil Kumar Modi) submitted its report on the Mediation Bill, 2021 in July 2022. The Bill was introduced in Lok Sabha in December 2021. It seeks to promote mediation (including online mediation) and provide for enforcement of settlement agreements resulting from mediation. Key observations and recommendations of the Committee include:

- **Pre-litigation mediation:** The Bill mandates parties to attend at least two mediation sessions. A cost may be imposed on them if they fail to attend the sessions without reasonable cause. The Committee observed that by mandating pre-litigation mediation, parties will have to wait for several months before being allowed to approach a court or tribunal. This may result in delaying cases. The Committee recommended that mandating pre-litigation be reconsidered, making it optional and introducing it in a phased manner. The Bill also provides that pre-litigation mediation will be applicable to matters pending before a tribunal. The Committee noted that there is lack of clarity regarding how such matters can come under the purview of pre-litigation mediation.

- **Timeline for mediation:** Mediation process must be completed within 180 days, which may be extended by another 180 days. The Committee recommended reducing it to 90 days with an extension of 60 days.

- **Confidentiality in proceedings:** Parties in a mediation proceeding are required to keep information relating to the proceedings confidential. The Committee noted that there is no punishment/liability for breaching confidentiality. It recommended that the Bill should provide for a provision for cases of breach of confidentiality.

- **Registration of agreements:** The Bill provides for mandatory registration of mediated settlement agreements. The Committee recommended leaving registration to the discretion of the parties.

For a PRS summary of the report, see [here](#). For a PRS analysis of the Bill, see [here](#).

**Report on review of guardianship and adoption laws submitted**

In August 2022, the Standing Committee on Personnel, Public Grievances, Law and Justice (Chair: Mr. Sushil Kumar Modi) submitted its report on ‘Review of Guardianship and Adoption Laws’. Key observations and recommendations of the Committee include:

- **Single law on adoption:** Currently adoption is regulated by two laws – the Hindu Adoptions and Maintenance Act, 1956, applicable to Hindus, and the Juvenile Justice Act, 2015 (JJ Act). The Committee observed certain inconsistencies between the two laws such as difference in upper age limit for adoption, and adoption timelines and requirements. The Committee recommended bringing in a single law on adoption that is applicable to everyone irrespective of religion. It noted that the law may prescribe separate adoption procedures for institutionalised children and children living with family and cover the LGBTQ community.

- **Single law on guardianship:** Currently guardianship is regulated by the Guardians and Wards Act, 1890, and the Hindu Minority and Guardianship Act, 1956 (applicable to Hindus). The Committee recommended bringing in a single law regulating guardianship. The law must contain provisions for facilitating guardianship for senior citizens. It should also provide for supported decision making. In such a system, the person appoints trusted advisors, such as friends, family, or
Implement of JJ Act: After amendments in 2021, the JJ Act authorises the District Magistrate (DM) (including Additional DM) to issue adoption orders. Any person aggrieved by an adoption order passed by the DM may file an appeal before the Divisional Commissioner. The Committee observed that judges have the competence to determine whether adoption is in the best interest of the child. It is not appropriate for an administrative authority to issue adoption orders instead of a judicial body. It recommended that since a new system is in place, training should be given to the DM, Additional DM, and Divisional Commissioner. The Ministry of Women and Child Development should review the functioning of the new system after one year and present a report to the Committee.

Defence

Bill to streamline command of inter-services organisations introduced in Lok Sabha

The Inter-services Organisations (Command, Control and Discipline) Bill, 2023, was introduced in Lok Sabha in March 2023. It seeks to empower the Commander-in-Chief or Officer-in-Command of Inter-services Organisations to exercise disciplinary or administrative control over the service personnel under their command, irrespective of their service. Key features of the Bill include:

- Inter-services Organisation: Existing Inter-services Organisations will be deemed to have been constituted under the Bill. These include the Andaman and Nicobar Command, the Defence Space Agency, and the National Defence Academy. The central government may constitute an Inter-services Organisation which has personnel belonging to at least two of the three services: the army, the navy, and the air force. These may be placed under the command of an Officer-in-Command. These organisations may also include a Joint Services Command, which may be placed under the command of a Commander-in-Chief.

- Control of Inter-services Organisations: Presently, the Commander-in-Chief or Officer-in-Command of Inter-services Organisations are not empowered to exercise disciplinary or administrative powers over the personnel belonging to other services. The Bill empowers the Commander-in-Chief or the Officer-in-Command of an Inter-services Organisation to exercise command and control over the personnel serving in or attached to it. He would be responsible for maintaining discipline and ensuring proper discharge of duties by the service personnel.

- The superintendence of an Inter-services Organisation will be vested in the central government. The government may also issue directions to such organisations on grounds of national security, general administration, or public interest.

For a PRS summary of the bill, see here.
Cabinet approved Agnipath scheme for recruitment to armed forces

In June 2022, the Union Cabinet approved the Agnipath scheme for recruitment to the armed forces. Candidates recruited under the scheme will serve for four years and be known as Agniveers. Agniveers form a separate rank under the armed forces. Key features of the scheme are:

- **Eligibility:** Candidates between the age of 17.5 to 21 years are eligible to apply. Enrolment under the scheme is through an online centralised system for all three services (army, navy, and air force). Specialised rallies and campus interviews from recognised technical institutes is conducted for recruitment. For 2022 recruitments, candidates between the age of 17.5-23 years were eligible to apply.

- **Permanent enrolment:** After completion of four years of service, Agniveers can apply for permanent enrolment in the armed forces. From each batch of Agniveers, up to 25% of the personnel will be enrolled in regular cadre of the armed forces. Individuals selected for enrolment in regular cadre will be required to serve a minimum period of 15 years.

- **Benefits:** Agniveers will be given a monthly package (see Table 14 for details). After completing four years of service, they will be paid a one-time ‘Seva Nidhi’ package of Rs 11.7 lakh. The recruits and the central government will contribute towards the corpus equally. The package is exempted from income tax. Further, Agniveers will be provided a non-contributory life insurance cover of Rs 48 lakh during their tenure. Benefits such as gratuity and pension will not be provided.

- **Reservations:** 10% of job vacancies in the Defence Ministry will be reserved for Agniveers. The reservation will be implemented in defence civilian posts, the Indian Coast Guard, and 16 Defence Public Sector Undertakings such as Hindustan Aeronautics Limited, Mazgaon Dock Shipbuilders, and Munitions India Limited.

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Sources: Press Information Bureau; PIB; PRS.

Defence Acquisition Procedure, 2020 amended

In April 2022, the Defence Acquisition Procedure, 2020 was amended to promote indigenous production of defence equipment. The Defence Acquisition Procedure, 2020 (erstwhile Defence Procurement Procedure) ensures timely acquisition of military equipment required by the armed forces. Further, it seeks to promote ‘Make in India’ in defence equipment procurement. Key features of the amendments include:

- **Procurement of equipment for Defence Services and Indian Coast Guard:** All modernisation requirements of the Defence Services and Indian Coast Guard are to be indigenously sourced irrespective of the nature of procurement. Import of all defence equipment/sourcing from foreign industry of capital acquisitions will be allowed in exceptional cases undertaken with the prior approval of Defence Acquisition Council (DAC)/ Defence Minister. The DAC (Chairman: Defence Minister) approves capital acquisition projects for the services.

- **Wider participation of manufacturing sector:** In order to encourage wider participation from indigenous defence manufacturing sector, the total order quantities in acquisition cases should be split between shortlisted vendors, wherever viable. Further, technically qualified bidders who have not received the contract will be issued a certificate by the Services indicating trial evaluation of the product. This will allow the vendors to explore other markets.

- **Promoting startups:** Projects of startups, and MSMEs are procured under Innovations for Defence Excellence (iDEX) initiative. iDEX is an initiative of the Ministry of Defence through which it procures projects of startups and MSMEs with low capital and high innovation. Before the amendment, the process for procurement process under iDEX took about two years before placing the order. In order to promote defence manufacturing startups, the procurement process from grant of acceptance of necessity to signing of contract under iDEX has been reduced to 22 weeks.

Criteria for appointment of Chief of Defence Staff changed

In June 2022, the central government changed the criteria for the appointment of the Chief of Defence Staff (CDS) by amending the Air Force Regulations, 1964, the Naval Ceremonial, Conditions of Service and Miscellaneous
According to the amended Regulations, the government may appoint any serving or retired Air Marshal or Air Chief Marshal from the air force, Vice Admiral or Admiral from the navy, and Lieutenant General or General from the army as the CDS. For appointment of retired officers, the respective individuals should be less than 62 years of age. The term of the CDS can be extended until 65 years of age.

External Affairs

Parliament passed bill to prohibit weapons of mass destruction


The Bill barred persons from financing any prohibited activity related to weapons of mass destruction and their delivery systems.

For a PRS summary of the Bill, please see here.

Anti-Maritime Piracy Bill, 2019 passed by Parliament

In December 2022, the Anti-Maritime Piracy Bill, 2019 was passed by Parliament. The Bill enabled the prosecution of maritime piracy and served to ratify the 1982 United Nations Convention on the Law of the Sea (UNCLOS), to which India is a signatory. The Bill, as passed, included recommendations made by the Standing Committee on External Affairs, which had examined it. The key features of the Bill, as passed, include:

- **Territorial jurisdiction**: The Bill applies to high seas, which refers to the area outside India’s territorial waters. Territorial waters extend to 12 nautical miles from India’s coastline. The high seas include India’s Exclusive Economic Zone, which is the area in which India has exclusive rights to economic activities, i.e., up to 200 nautical miles from the coastline.

- **Piracy**: The Bill defined piracy as any illegal act of violence, detention, or destruction committed for private ends, committed on the high seas. The definition covers acts of piracy committed by any person or the crew or passengers of a private ship. Victims of piracy include any other ship or any person or property on board such ship. It also includes voluntary participation in the operation of a ship that is being used for piracy.

- **Offences and penalties**: Committing piracy is punishable with: (i) imprisonment which may extend to imprisonment for life, or fine, or both, or (ii) death or imprisonment for life, if the act or attempt of piracy includes attempted murder, or causes death.

- **Designated Court**: The central government may notify certain Sessions Courts to be Designated Courts under the Bill. It may also notify the territorial jurisdiction of each Designated Court. Such courts will try offences committed by: (i) a person of any nationality in the custody of the Indian Navy or Coast Guard, (ii) a citizen of India, a resident foreign national in India, or a stateless person. As introduced, the Bill allowed the Court to try a person who is not physically present, but this provision was removed following the Standing Committee’s recommendations.

For more details on the Bill, see here.
167 Central Motor Vehicles (Sixth Amendment) Rules, 2022, Ministry of Road Transport and Highways, April 5, 2022, https://gazette.nic.in/WriteReadData/2022/234801.pdf.


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