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Highlights of the year

Macroeconomic Development
In 2023-24, India’s real GDP is estimated to grow by 7.6%. Retail inflation averaged at 5.4% in 2023-24, lower than 6.7% in the previous year. India recorded a current account deficit of 1.2% of GDP in April-December 2023, lower than 2.6% of GDP in April-December 2022.

Home Affairs
Parliament passed three Bills to reform criminal law. Bill establishing an authority to control civil services in Delhi was also passed. Rules under the Citizenship Amendment Act, 2019 were notified.

Elections
Parliament passed a Bill to regulate the appointment of Election Commissioners. Supreme Court struck down electoral bonds scheme. A Committee chaired by former President Mr. Kovind recommended simultaneous elections to Lok Sabha and state legislative assemblies.

Law and Justice
Parliament amended the Constitution to provide for reservation of one-third seats for women in Lok Sabha and State Assemblies were passed. It upheld the abrogation of Article 370 as constitutional.

Communications
Parliament passed two Bills to replace the legal framework for telecommunications sector and post office. The Union Cabinet approved a third revival package for BSNL worth Rs 89,047 crore.

Information Technology
The Digital Personal Data Protection Bill, 2023 was passed by Parliament. The IT Rules, 2021, were amended to regulate online gaming, and establish a central fact checking unit.

Corporate Affairs
The Competition Act, 2002 was amended to regulate mergers and acquisitions based on value of transactions. Competition Commission of India notified commitment and settlement regulations. Report on Digital Competition Law was submitted.

Finance
Parliament passed amendments to levy GST on online money gaming. The 16th Finance Commission was constituted. SEBI rolled-out same-day settlement for securities on a pilot basis. RBI withdrew Rs 2,000 banknotes from circulation.

Media and Broadcasting
Parliament passed a Bill increasing the number of age-based categories for film certification. The Bill also penalises unauthorised recordings of films. Parliament also passed a Bill regulating the distribution of newspapers and periodicals.

Environment
The Forest Conservation Act, 1980 was amended to exempt prior approval of the central government for using forest land for certain non-forest uses. Rules were notified to award and facilitate trade of green credits.

Power
The Union Cabinet approved the PM-Surya Ghar: Muft Bijli Yojana to encourage the use of rooftop solar systems. Time of Day tariff has been made mandatory for retail consumers except agricultural consumers. Renewable consumption obligation was notified for certain entities including discoms and captive users. Renewable purchase obligation for discoms was discontinued.

Science and Technology
Parliament passed a Bill to establish the National Research Foundation to fund research in fields such as science and technology, environment, and agriculture. Cabinet approved the National Quantum Mission to accelerate R&D in quantum computing. The Indian Space Policy, 2023 was approved.

Health
Parliament passed Bills establishing National Commissions for dentistry, and nursing and midwifery. Surrogacy rules were amended to allow an intending couple to use donor gametes.

Education
Parliament passed a Bill to restrict use of unfair means in public examinations. The National Curriculum Framework on School Education was released. It implements principles of the NEP, such as the four-stage design of school education.

Social Security
The government decided to provide food grain entitlement under the National Food Security Act, 2013 free of cost for five years.
During 2023-24, Parliament passed 49 Bills. This is higher than the average bills passed (36) in a year in the 17th Lok Sabha.

<table>
<thead>
<tr>
<th>Short Title</th>
<th>Sector</th>
<th>Key Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Bharatiya Nyaya (Second) Sanhita, 2023</td>
<td>Home Affairs</td>
<td>Replaces the Indian Penal Code, 1860. Adds new offences such as organised crime and terrorism. Removes sedition and criminalises endangering sovereignty of the state.</td>
</tr>
<tr>
<td>The Bharatiya Sakshya (Second) Bill, 2023</td>
<td>Home Affairs</td>
<td>Replaces the Indian Evidence Act, 1872. Deems electronic evidence as documents and accords electronic records the same legal effect as paper records.</td>
</tr>
<tr>
<td>The Chief Election Commissioner and other Election Commissioners (Appointment, Conditions of Service and Term of Office) Bill, 2023</td>
<td>Elections</td>
<td>Provides for a selection committee to appoint the Chief Election Commissioner and Election Commissioners, and specifies their qualifications and conditions of service.</td>
</tr>
<tr>
<td>The Government of National Capital Territory of Delhi (Amendment) Bill, 2023</td>
<td>Home Affairs</td>
<td>Establishes an Authority to recommend appointments and transfers of civil servants in Delhi. Grants Lieutenant Governor the discretionary power over decisions of the Authority.</td>
</tr>
<tr>
<td>The Registration of Births and Deaths (Amendment) Bill, 2023</td>
<td>Home Affairs</td>
<td>Creates births and deaths database at the national and state level and mandates birth certificate for purposes such as admissions and preparation of voter lists.</td>
</tr>
<tr>
<td>The Constitution (One Hundred and Twenty-Eighth Amendment) Bill, 2023</td>
<td>Social Justice</td>
<td>Reserves one-third of all seats for women in Lok Sabha and State Legislative Assemblies.</td>
</tr>
<tr>
<td>The Jammu and Kashmir Reorganisation (Second Amendment) Bill, 2023</td>
<td>Social Justice</td>
<td>Reserves one-third of all seats in the J&amp;K Assembly for women.</td>
</tr>
<tr>
<td>The Government of Union Territories (Amendment) Bill, 2023</td>
<td>Social Justice</td>
<td>Reserves one-third of all seats in the Puducherry Legislative Assembly for women.</td>
</tr>
<tr>
<td>The Digital Personal Data Protection Bill, 2023</td>
<td>Information Technology</td>
<td>Provides for personal data protection and privacy of individuals, regulates cross border data transfer, and provides certain exemptions for personal data processing by the State.</td>
</tr>
<tr>
<td>The Telecommunications Bill, 2023</td>
<td>Communications</td>
<td>Repeals the Indian Telegraph Act, 1885 and the Indian Wireless Telegraphy Act, 1933. Regulates activities including spectrum allocation and interception procedures.</td>
</tr>
<tr>
<td>The Competition (Amendment) Bill, 2022</td>
<td>Corporate Affairs</td>
<td>Amends the Competition Act, 2002 to regulate mergers and acquisitions based on the value of the transaction and expands entities which can be part of anti-competitive agreements.</td>
</tr>
<tr>
<td>The Anusandhan National Research Foundation Bill, 2023</td>
<td>Science and Technology</td>
<td>Creates the National Research Foundation to provide funding for research and innovation in STEM, health and agriculture.</td>
</tr>
<tr>
<td>The Indian Institutes of Management (Amendment) Bill, 2023</td>
<td>Education</td>
<td>Designates the President of India as Visitor of every IIM, requires government approval to appoint IIM Directors, and empowers it to remove the Director and the Board.</td>
</tr>
<tr>
<td>The Forest (Conservation) Amendment Bill, 2023</td>
<td>Environment</td>
<td>Adds and exempts certain types of land from the purview of the Act. Expands the list of activities permitted on forest land.</td>
</tr>
<tr>
<td>The Mines and Minerals (Development and Regulation) Amendment Bill, 2023</td>
<td>Mines and Minerals</td>
<td>Introduces exploration licences, removes certain minerals from the list of atomic minerals, and creates a new category for strategic minerals.</td>
</tr>
<tr>
<td>The Offshore Areas Mineral (Development and Regulation) Amendment Bill, 2023</td>
<td>Mines and Minerals</td>
<td>Introduces a composite license for granting rights for exploration and production, mandates competitive bidding and restricts mining of atomic minerals to the government.</td>
</tr>
<tr>
<td>The Biological Diversity (Amendment) Bill, 2021</td>
<td>Environment</td>
<td>Simplifies compliance requirements for domestic companies using biological resources, and exempts certain practitioners and activities from benefit sharing requirements.</td>
</tr>
<tr>
<td>The Mediation Bill, 2021</td>
<td>Law and Justice</td>
<td>Provides for pre-litigation mediation, sets up the Mediation Council of India, and lists disputes not fit for mediation.</td>
</tr>
<tr>
<td>Short Title</td>
<td>Sector</td>
<td>Key Objectives</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------</td>
<td>-----------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>The Multi-State Co-operative Societies (Amendment) Bill, 2022</td>
<td>Home Affairs</td>
<td>Establishes the Co-operative Election Authority to conduct elections to the boards of multi-state co-operative societies.</td>
</tr>
<tr>
<td>The Cinematograph (Amendment) Bill, 2023</td>
<td>Media and Broadcasting</td>
<td>Provides measures to check film piracy, and amends age-based categories for film certification.</td>
</tr>
<tr>
<td>The National Dental Commission Bill, 2023</td>
<td>Health</td>
<td>Repeals the Dentists Act, 1948 to constitute National Dental Commission, Dental Advisory Council and three autonomous boards to regulate dental education and profession.</td>
</tr>
<tr>
<td>The National Nursing and Midwifery Commission Bill, 2023</td>
<td>Health</td>
<td>Provides for the regulation of education and professional standards for nursing and midwifery professionals.</td>
</tr>
<tr>
<td>The Pharmacy (Amendment) Bill, 2023</td>
<td>Health</td>
<td>Provides a mechanism for pharmacists registered under, or possessing qualifications as per the J&amp;K Pharmacy Act, 2011 to be registered under the Pharmacy Act, 1949.</td>
</tr>
<tr>
<td>The Inter-Services Organisations (Command, Control and Discipline) Bill, 2023</td>
<td>Defence</td>
<td>Empowers the Commander-in-Chief or Officer-in-Charge of Inter-services Organisations to exercise disciplinary or administrative control over service personnel under their command irrespective of service.</td>
</tr>
<tr>
<td>The Coastal Aquaculture Authority (Amendment) Bill, 2023</td>
<td>Agriculture</td>
<td>Expands the scope of coastal aquaculture to include allied activities such as hatcheries and nucleus breeding centres.</td>
</tr>
<tr>
<td>The Integrated Goods and Services Tax (Amendment) Bill, 2023</td>
<td>Finance</td>
<td>Provides that a supplier of online money gaming, not located in India, will be liable to pay IGST.</td>
</tr>
<tr>
<td>The Central Goods and Services Tax (Amendment) Bill, 2023</td>
<td>Finance</td>
<td>Provides that suppliers of online money gaming, horse racing, and casinos will be liable to pay CGST.</td>
</tr>
<tr>
<td>The Public Examination (Prevention of Unfair Means) Bill, 2024</td>
<td>Education</td>
<td>Penalises certain offences related to public examinations such as leaking question papers, tampering with documents, or conducting fake exams.</td>
</tr>
<tr>
<td>The Post Office Bill, 2023</td>
<td>Communications</td>
<td>Repeals the Indian Post Office Act, 1898, regulates services to be provided by the Post Office, and specifies grounds for interception and examination of posts.</td>
</tr>
<tr>
<td>The Press and Registration of Periodicals Bills, 2023</td>
<td>Media and Broadcasting</td>
<td>Repeals the Press and Registration of Books Act, 1867, provides for registration of newspapers and periodicals including foreign periodicals.</td>
</tr>
<tr>
<td>The Repealing and Amending Bill, 2022</td>
<td>Law and Justice</td>
<td>Repeals 65 laws that are obsolete or redundant, and corrects a minor drafting error in the Factoring Regulation Act, 2011.</td>
</tr>
<tr>
<td>The Advocates (Amendment) Bill, 2023</td>
<td>Law and Justice</td>
<td>Repeals certain sections related to touts under the Legal Practitioners Act, 1879, and brings them under the ambit of the Advocates Act, 1961.</td>
</tr>
<tr>
<td>The Central Universities (Amendment) Bill, 2023</td>
<td>Education</td>
<td>Establishes a Central Tribal University in Telangana.</td>
</tr>
<tr>
<td>The Central Goods and Services Tax (Second Amendment) Bill, 2023</td>
<td>Finance</td>
<td>Allows advocates with at least 10 years of experience to be appointed as judicial members of GST Appellate Tribunal.</td>
</tr>
<tr>
<td>The Provisional Collection of Taxes Bill, 2023</td>
<td>Finance</td>
<td>Replaces the Provisional Collection of Taxes Act, 1931 and retains all its provisions. Provides for interim levy or increase of customs or excise duty.</td>
</tr>
<tr>
<td>The National Capital Territory of Delhi Laws (Special Provisions) Second (Amendment) Bill, 2023</td>
<td>Housing and Urban Affairs</td>
<td>Extends the validity of laws protecting unauthorised colonies in Delhi from punitive action by three years. They will be valid till December 31, 2026.</td>
</tr>
<tr>
<td>The Water (Prevention and Control of Pollution) Amendment Bill, 2024</td>
<td>Environment</td>
<td>Amends the Water (Prevention and Control of Pollution) Act, 1974 to decriminalise several violations and impose penalties.</td>
</tr>
<tr>
<td>The Jammu and Kashmir Reservation (Amendment) Bill, 2023</td>
<td>Social Justice</td>
<td>Substitutes weak and under-privileged classes with other backward classes as declared by J&amp;K.</td>
</tr>
<tr>
<td>The Jammu and Kashmir Reorganisation (Amendment) Bill, 2023</td>
<td>Social Justice</td>
<td>Adds seven seats to the J&amp;K Legislative Assembly, reserves seven seats for SCs and nine seats for STs, and provides for nominated seats for Kashmiri migrants and displaced persons.</td>
</tr>
<tr>
<td>The Jammu and Kashmir Local Bodies Laws (Amendment) Bill, 2024</td>
<td>Social Justice</td>
<td>Amends local body laws to extend reservation to other backward classes and extends certain powers to the State Election Commission.</td>
</tr>
<tr>
<td>Short Title</td>
<td>Sector</td>
<td>Key Objectives</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------</td>
<td>-------------------------</td>
<td>--------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>The Constitution (Jammu and Kashmir) Scheduled Castes Order (Amendment) Bill, 2023</td>
<td>Social Justice</td>
<td>Revises the list of Scheduled Castes list of J&amp;K.</td>
</tr>
<tr>
<td>The Constitution (Scheduled Castes) Order (Amendment) Bill, 2023</td>
<td>Social Justice</td>
<td>Revises the list of Scheduled Castes of Chhattisgarh.</td>
</tr>
<tr>
<td>The Constitution (Scheduled Tribes) Order (Fifth Amendment) Bill, 2022</td>
<td>Social Justice</td>
<td>Revises the list of Scheduled Tribes for Chhattisgarh.</td>
</tr>
<tr>
<td>The Constitution (Scheduled Tribes) Order (Third Amendment) Bill, 2022</td>
<td>Social Justice</td>
<td>Revises the list of Scheduled Tribes for Himachal Pradesh.</td>
</tr>
<tr>
<td>The Constitution (Scheduled Castes and Scheduled Tribes) Orders (Amendment) Bill, 2024</td>
<td>Social Justice</td>
<td>Revises the list of Scheduled Castes and Scheduled Tribes for the state of Odisha.</td>
</tr>
</tbody>
</table>

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

Macroeconomic Development

State of the economy in 2023-24

In 2023-24, India’s real GDP is estimated to grow by 7.6%, as compared to a growth of 7% in 2022-23. In 2023-24, nominal GDP (at current prices) is estimated to be Rs 294 lakh crore. The per capita income in 2023-24 (at current prices) is estimated to be Rs 1,83,236.

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

<table>
<thead>
<tr>
<th>Sector</th>
<th>2021-22</th>
<th>2022-23</th>
<th>2023-24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>4.6%</td>
<td>4.7%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Mining</td>
<td>6.3%</td>
<td>1.9%</td>
<td>8.1%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>10.0%</td>
<td>-2.2%</td>
<td>8.5%</td>
</tr>
<tr>
<td>Electricity</td>
<td>10.3%</td>
<td>9.4%</td>
<td>7.5%</td>
</tr>
<tr>
<td>Construction</td>
<td>19.9%</td>
<td>9.4%</td>
<td>10.7%</td>
</tr>
<tr>
<td>Trade</td>
<td>15.2%</td>
<td>12.0%</td>
<td>6.5%</td>
</tr>
<tr>
<td>Financial Services</td>
<td>5.7%</td>
<td>9.1%</td>
<td>8.2%</td>
</tr>
<tr>
<td>Public Services</td>
<td>7.5%</td>
<td>8.9%</td>
<td>7.7%</td>
</tr>
<tr>
<td>GVA</td>
<td>9.4%</td>
<td>6.7%</td>
<td>6.5%</td>
</tr>
<tr>
<td>GDP</td>
<td>9.7%</td>
<td>7.0%</td>
<td>7.6%</td>
</tr>
</tbody>
</table>

Note: Growth in GVA and GDP was higher in 2021-22 over a low base of 2020-21 (COVID year).
Sources: MoSPI; PRS.

Inflation trends in 2023-24

Consumer Price Index (CPI) measures the change in prices of items at the retail level. In 2023-24, CPI inflation was 5.4%, lower than 6.7% in 2022-23. In 2023-24, food inflation was 7.5%, higher than 6.6% in 2022-23. 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. In 2023-24, WPI inflation was -0.7% as compared to 9.4% in 2022-23.

Figure 1: CPI and WPI inflation in 2023-24 (in %, year-on-year)

Balance of Payments in 2023-24

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 USD 31 billion (1.2% of GDP) in April-December 2023, and a capital account surplus of USD 64.7 billion. Foreign exchange reserves increased by USD 32.9 billion in April-December 2023, and are at USD 623 billion at the end of December 2023.

Table 3: Balance of payments in April-December 2023 (USD billion)

<table>
<thead>
<tr>
<th>Heads</th>
<th>2021-22</th>
<th>2022-23</th>
<th>2023-24 (Apr-Dec)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Exports</td>
<td>429.2</td>
<td>456.1</td>
<td>319.9</td>
</tr>
<tr>
<td>b. Imports</td>
<td>618.6</td>
<td>721.4</td>
<td>512.7</td>
</tr>
<tr>
<td>c. Trade balance (a-b)</td>
<td>-189.5</td>
<td>-265.3</td>
<td>-192.8</td>
</tr>
<tr>
<td>d. Net services</td>
<td>107.5</td>
<td>143.3</td>
<td>120.1</td>
</tr>
<tr>
<td>e. Other transfers</td>
<td>43.2</td>
<td>55</td>
<td>41.7</td>
</tr>
<tr>
<td>f. Current account (c+d+e)</td>
<td>-38.8</td>
<td>-67.7</td>
<td>-31.1</td>
</tr>
<tr>
<td>g. Capital account</td>
<td>85.8</td>
<td>58.9</td>
<td>64.7</td>
</tr>
<tr>
<td>h. Errors and omissions</td>
<td>0.5</td>
<td>-1.0</td>
<td>-0.7</td>
</tr>
<tr>
<td>i. Change in reserves (f+g+h)</td>
<td>47.5</td>
<td>-9.1</td>
<td>32.9</td>
</tr>
</tbody>
</table>

Sources: RBI; PRS.

Monetary Policy Decisions

The Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI) kept all policy rates unchanged. The repo rate (the rate at which RBI lends money to banks) remained at 6.5% in 2022-23. The repo rate was last changed in February 2023, when it was increased from 6.25% to 6.5%. The stance of the MPC remained focused on withdrawal of accommodation. This was expected to ensure that inflation aligns with the target of 4%, while supporting growth.

Finance

Interim Union Budget 2024-25 presented

The Finance Minister, Ms Nirmala Sitharaman presented the 2024-25 Interim Union Budget in February 2024. Key highlights include:

- **Expenditure**: The government has proposed to spend Rs 47,65,768 crore in 2024-25, an increase of 6.1% over the revised estimates of 2023-24 (Rs 44,90,486 crore).
- **Receipts**: Receipts (other than borrowings) in 2024-25 are estimated to be Rs 30,80.274 crore, an increase of 11.8% over the revised estimates of 2023-24 (Rs 27,55,713 crore).

- **GDP growth**: The nominal GDP growth rate is estimated at 10.5% in 2024-25 (without adjusting for inflation).

- **Deficits**: In 2024-25, the fiscal deficit is targeted at 5.1% of GDP, lower than the revised estimates of 5.8% of GDP in 2023-24. Revenue deficit in 2024-25 is targeted at 2% of GDP, which is lower than the revised estimates of 2.8% of GDP in 2023-24.

- **Tax proposals**: No changes in direct and indirect taxes were proposed.

- **Policy proposals**: Additional two crore houses will be built over the next five years under the PM Awas Yojana. Rooftop solarisation of one crore houses will be taken up.

- **Private entities** will be provided long term loans at low or nil interest rates to scale up research and innovation. The loans will be provided through a corpus (set up by the government) of one lakh crore rupees.

### Table 4: Interim Union Budget 2024-25 highlights (in Rs crore)

<table>
<thead>
<tr>
<th></th>
<th>Actuals 22-23</th>
<th>RE 23-24</th>
<th>BE 24-25</th>
<th>% change from RE to BE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Expenditure</strong></td>
<td>41,93,157</td>
<td>44,90,486</td>
<td>47,65,768</td>
<td>6.1%</td>
</tr>
<tr>
<td><strong>Total receipts (excluding borrowings)</strong></td>
<td>24,55,402</td>
<td>27,55,713</td>
<td>30,80,274</td>
<td>11.8%</td>
</tr>
<tr>
<td><strong>Revenue Deficit</strong></td>
<td>10,69,926</td>
<td>8,40,527</td>
<td>6,53,383</td>
<td></td>
</tr>
<tr>
<td>% of GDP</td>
<td>3.9%</td>
<td>2.8%</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>Fiscal Deficit</td>
<td>17,37,755</td>
<td>17,34,773</td>
<td>16,85,494</td>
<td></td>
</tr>
<tr>
<td>% of GDP</td>
<td>6.4%</td>
<td>5.8%</td>
<td>5.1%</td>
<td></td>
</tr>
</tbody>
</table>

Note: RE is revised estimates, BE is Budget Estimates

Source: Interim Union Budget documents 2024-25; PRS.

For a PRS analysis of the Interim Union Budget 2024-25, see [here](#).

**GST laws amended to levy GST on online money gaming, casinos, and horse racing**

In August 2023, the Central Goods and Services Tax (Amendment) Bill, 2023 and the Integrated Goods and Services Tax (Amendment) Bill, 2023 were passed by Parliament. They amended the Central Goods and Services Tax (CGST) Act, 2017 and the Integrated Goods and Services Tax (IGST) Act, 2017, respectively. As per the amendments, CGST is applicable on casinos, horse racing, and online money gaming. IGST will apply to online money gaming. This will be levied on a supplier not located in India providing online money gaming to a person in India. Online money gaming refers to online games where players pay or deposit money (including virtual digital assets) with the expectation of winning money or money’s worth. This applies to any game, scheme, competition, or other activity irrespective of its outcome being based on skill, chance, or both. It includes online money games which may be allowed or banned under any law.

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

**CGST Act amended to change the qualification for judicial members of GST Appellate Tribunal**

The Central Goods and Services Tax (Second Amendment) Bill, 2023 was passed by Parliament in December 2023. The Bill amended the Central Goods and Services Tax (CGST) Act, 2017. The Act provides for the levy and collection of CGST on the intra state supply of goods and services. The Act sets up GST Appellate Tribunal for hearing appeals under the Act. The Bill changed the qualifications required to be appointed as a judicial member of the GST Appellate Tribunal. Advocates with at least 10 years of experience will be eligible for the same.

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

**Bill replacing Provisional Collection of Taxes Act passed by Parliament**

In December 2023, the Provisional Collection of Taxes Bill, 2023, was passed by Parliament. The Bill repeals the Provisional Collection of Taxes Act, 1931. The Act provides for the interim imposition or increase of customs or excise duty. The Bill retained all the provisions under the Act. The Constitution requires a law for imposition of any tax. This Act allows levying excise or customs duty proposed in a Bill before such a Bill is passed. The tax will be in effect until the Bill is passed, or for a maximum of 75 days after its introduction.

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

**Cabinet approved terms of reference of the 16th Finance Commission**

In November 2023, the Union Cabinet approved the terms of reference for the 16th Finance Commission. The Commission is chaired by Dr. Arvind Panagariya. The terms of reference require the Commission to make recommendations on the following matters: (i) distribution of the net proceeds of taxes between the central government and the states, (ii) allocation of these proceeds among states, (iii) principles that should govern and should be applied to states, and (iv) measures needed to augment state revenues to
supplement the resources of local governments. Additionally, it may review the arrangements in financing disaster management initiatives. The recommendations will be applicable for a five-year period starting April 1, 2026. The Commission will submit its report by October 31, 2025.

**RBI withdrew Rs 2,000 denomination banknotes from circulation**

In May 2023, the Reserve Bank of India (RBI) withdrew Rs 2,000 denomination banknotes from circulation. However, such banknotes continue to be legal tender. The Rs 2,000 denomination banknote was introduced in November 2016 to expeditiously meet currency requirements in the backdrop of withdrawal of legal tender status of Rs 500 and Rs 1,000 denomination banknotes. RBI noted that the objective of introducing the Rs 2,000 banknote was met once other denominations became available in adequate quantities. It also observed that Rs 2,000 banknote is not commonly used for transactions. People were allowed to deposit such banknotes in their bank accounts or exchange them into banknotes of other denominations at any bank branch by September 30, 2023. This facility was later extended up to October 7, 2023. Currently, the facility to exchange Rs 2,000 banknotes is available at certain RBI offices.

**Ministry of Finance allowed direct listing of securities by Indian companies on international exchanges**

In January 2024, the Ministry of Finance allowed direct listing of securities by Indian companies on permitted international exchanges. The Ministry notified the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2024 which amended the Foreign Exchange Management (Non-debt Instruments) Rules, 2019. The amendment allowed public Indian companies to issue equity shares on international exchanges subject to certain conditions. Citizens or entities from countries that share a land border with India can hold shares of such companies only with the approval of central government. Public Indian companies or existing shareholders may issue equity shares on international exchange based on certain criteria. These include: (i) the company, its directors, or directors are not debarred from accessing the capital market, (ii) the company, promoters, or directors are not wilful defaulters, and (iii) promoters or directors are not fugitive economic offenders.

**RBI increased risk weights for certain loan categories**

The Reserve Bank of India (RBI) increased the risk weights associated with certain consumer loan categories in November 2023. The revised risk weights apply primarily to unsecured consumer loans such as personal loans. Risk weights determine the minimum amount of capital that lending entities must hold in relation to the risk profile of a loan.

### Table 5: Revised risk weights for consumer loans

<table>
<thead>
<tr>
<th>Lending Entity</th>
<th>Loan Category</th>
<th>Current Risk Weight</th>
<th>Revised Risk Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Banks</td>
<td>Consumer Loans*</td>
<td>100%</td>
<td>125%</td>
</tr>
<tr>
<td>NBFCs</td>
<td>Consumer Loans*</td>
<td>100%</td>
<td>125%</td>
</tr>
<tr>
<td>Scheduled Commercial Banks</td>
<td>Credit card receivables</td>
<td>125%</td>
<td>150%</td>
</tr>
<tr>
<td>NBFCs</td>
<td>Credit card receivables</td>
<td>100%</td>
<td>125%</td>
</tr>
</tbody>
</table>

Note: *excludes housing loans, education loans, vehicle loans, loans secured by gold and gold jewellery, and microfinance loans.

Sources: RBI, PRS.

Regulated entities must review their sectoral exposure limits for consumer credit. They must also put in place board-approved limits for sub-segments under consumer credit. Limits must be prescribed for all unsecured consumer credit.

**RBI released framework for acceptance of green deposits**

The Reserve Bank of India (RBI) released the framework for acceptance of green deposits in April 2023. A green deposit is an interest-bearing deposit received by RBI regulated entities (such as banks) for a fixed period. The proceeds of such deposits are allocated for green finance. Green finance involves investing in activities/projects which contribute to climate risk mitigation, climate adaptation and resilience, and other climate-related/environmental objectives. The framework came into effect on June 1, 2023. Key features of the framework include:

- **Allocation of proceeds**: The use of proceeds raised through green deposits will be based on official Indian green taxonomy. Until such taxonomy is finalised, regulated entities will be required to allocate proceeds to projects in sectors such as: (i) renewable energy, (ii) clean transportation, (iii) sustainable water and waste management, (iv) pollution prevention and control, and (v) sustainable management of living natural resources and land use.

- **Third-party verification**: The allocation of funds raised through green deposits in a financial year will be subject to annual independent third-party verification. The
verification must cover aspects involving: (i) use of proceeds in accordance with eligible green activities/projects, and (ii) policies and internal controls including project evaluation and management of funds.

- **Reporting**: A review report must be placed before the board of directors of regulated entities within three months after the end of a financial year. The review must cover certain details including: (i) amount raised from green deposits in previous financial years, (ii) list of green activities/projects where funds were allocated, (iii) amount allocated to eligible green activities/projects, and (iv) copy of third-party verification/assurance report.

**RBI released framework for compromise settlement and technical write-offs**

The Reserve Bank of India (RBI) released a framework for compromise settlements and technical write-offs in June 2023.29 A compromise settlement refers to an arrangement to fully settle the claims of a regulated entity (such as banks) against a borrower in cash. This may involve writing off a certain percentage of the dues of the borrower. Compromise settlements are categorised as loan restructuring. Technical write-offs involve writing-off non-performing assets (loans) from the books of the regulated entity without any waiver of claims against the borrower. Key features include:

- **Policy for settlements**: Regulated entities must have a board-approved policy for undertaking compromise settlements and technical write-offs. The policy should provide for the process to be followed for such settlements. In case of compromise settlements, the policy should provide for the permissible level of write-off while arriving at the settlement amount.

- **Cooling period**: In case of borrowers involved in compromise settlements, there must be a cooling period before the regulated entities can provide fresh loans. For loans other than farm credit, this cooling period should be of at least 12 months. For technical write-offs, the cooling period would be as per the board-approved policies.

- **Fraud accounts**: Regulated entities may undertake compromise settlements or technical write-offs in respect of accounts categorised as fraud or wilful defaulters. This would not affect the criminal proceedings that are underway against the debtors.

**SEBI amended listing and disclosure regulations**

In June 2023, the Securities and Exchange Board of India (SEBI) notified the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023.30 This amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.31 The Regulations provide the framework for disclosure of certain information by listed entities. Key features of the amendments include:

- **Disclosure of material events**: The amendment specifies thresholds for disclosure of material events by listed entities. Listed entities must disclose events or information whose value or expected impact in terms of value exceeds the lowest of the following: (i) 2% of turnover, (ii) 2% of net worth, or; (iii) 5% of the average of profit or loss after tax as per the last three consolidated financial statements. In addition, details of cyber security incidents and data breaches must be disclosed in a quarterly compliance report.

- **Timeline for disclosure of material events**: The 2015 Regulations provided that listed companies must disclose certain events to stock exchanges within 24 hours. The amended regulations provided that stock exchanges must be informed of all material information within: (i) 12 hours of the occurrence of the event if it is emanating from within the company, or (ii) 24 hours from the occurrence of the event in other cases. Material information arising from decisions taken at board meetings must be communicated within 30 minutes of the conclusion of the meeting.

- **Disclosure of reported information**: The 2015 Regulations provide that listed companies may confirm or deny any reported event or information to stock exchanges. Starting October 1st, 2023, the top 100 listed entities must confirm or deny any material event or information in mainstream media within 24 hours. From April 1, 2024, this has also become applicable to the top 250 listed entities. Such entities are determined based on their market capitalisation. Mainstream media refers to newspapers and news channels.

**SEBI reduced the timeline for listing shares**

In June 2023, the Securities and Exchange Board of India (SEBI) reduced the timeline for the listing of shares.32 Shares offered through an initial public offering (IPO) are to be listed three days after the closing of the IPO as against the previous timeline of six days. IPO is the selling of shares of a company to the public for the first time. The revised timeline was optional for all IPOs opening from September 1, 2023. It was made mandatory from December 1, 2023.
SEBI notified regulations for index providers

In March 2024, the Securities and Exchange Board of India (SEBI) notified the SEBI (Index Providers) Regulations, 2024. Index providers are persons who control the creation, operation, and administration of a benchmark or index (such as those tracking stocks or commodities). It includes: (i) calculation of the index, (ii) determining the index methodology, and (iii) dissemination of the index. The Regulations apply to index providers that administer significant indices of securities listed on a recognised Indian stock exchange for use in Indian securities market. Significant indices are those that are tracked by mutual fund schemes with a specified amount of assets under management. Key features include:

- **Registration**: Index providers must register with SEBI. Existing index providers will have six months to apply for the registration. Applicants must meet certain eligibility criteria such as: (i) must be an entity incorporated under the Companies Act, 2013, (ii) have a minimum net worth of Rs 25 crore, and (iii) they possess the necessary infrastructure and human resources to conduct the business of an index provider.

- **Oversight committee**: The index provider must form an oversight committee to govern the benchmark determination process. The committee will consist of individuals with experience and knowledge in the subject. Functions of the committee include: (i) reviewing the need for change in index design or computation methodology, (ii) overseeing the introduction of new financial benchmarks, and (iii) reviewing the procedures for discontinuation of an index.

- **Quality of the index**: The index design must represent the underlying interest which the index seeks to measure. The index must be calculated using data that is sufficient to represent the underlying interest. Guidelines regarding data inputs and the manner of using the data must be publicly available.

- **Dispute resolution**: The index provider must create a dispute resolution mechanism for addressing disputes between the index provider and subscribers.

SEBI introduced framework for small and medium REITs

The Securities and Exchange Board of India (SEBI) notified amendments to the SEBI (Real Estate Investment Trusts) Regulations, 2014 in March 2024. Real Estate Investment Trusts (REITs) pool money from investors to invest in real estate assets. Income from such assets is then distributed among the investors. Key changes under the 2024 amendments include:

- **Definition of REIT**: The 2014 Regulations defined REIT as a trust registered under the regulations. The 2024 amendment specifies that REIT refers to a person who pools at least Rs 50 crore from at least 200 investors to acquire and manage real estate assets or properties. This entitles the investors to receive income generated from such assets without giving them management control.

- **Small and medium REIT**: Assets that can be acquired under a scheme of small and medium REITs must be of a value between Rs 50 crore and Rs 500 crore. It should have at least 200 unitholders, excluding the investment manager of the REIT, its related parties, and associates.

- **Eligibility**: For registration, the small and medium REIT must meet certain criteria such as: (i) the registration application being made by the investment manager on the trust’s behalf, (ii) the investment manager having a net worth of at least Rs 20 crore with at least two years’ experience in the real estate industry or in real estate fund management, and (iii) at least half of the directors of the investment manager are independent.

SEBI released framework for regulation of ESG rating providers

In July 2023, the Securities and Exchange Board of India (SEBI) notified the SEBI (Credit Rating Agencies) (Amendment) Regulations, 2023. It amended the SEBI (Credit Rating Agencies) Regulations, 1999. These provide for the regulation of credit rating agencies. Such agencies provide ratings to securities which are proposed to be listed or already listed on stock exchanges. The 2023 amendment provides a framework for agencies providing environmental, social, and governance (ESG) ratings. These ratings offer opinions about the profile of governance risk, social risk, or climatic risks related to a company or its securities. Key features include:

- **Registration**: ESG rating providers must register with SEBI. For SEBI to grant a registration certificate, certain conditions must be fulfilled. The applicant must: (i) be incorporated as a company under the Companies Act, 2013, (ii) have ESG rating as its main activity, and (iii) submit their business plan to SEBI.

- **Responsibilities of the agencies**: The ESG rating provider has to take certain steps to ensure transparency and prevent a conflict of interest. These include disclosures related to: (i) ESG ratings and their types on a website, (ii) the methodology for providing ESG
ratings, (iii) any changes in ESG rating methodology, and (iv) the general nature of compensation arrangements with clients. In addition, they must identify, disclose, and avoid/mitigate (to the extent feasible) potential conflicts of interest.

- **Review of ESG rating**: The rating provider should review each of the published ESG ratings annually. This can be done more frequently, if required. An ESG rating must not be withdrawn unless the issuer (whose security is rated) is wound up, merged, or amalgamated with another company.

**RBI released report on internationalisation of rupee**

The Reserve Bank of India (RBI) released a report of the working group on state government guarantees in January 2024. A guarantee is a contingent liability which protects the lender from the risk of default by the borrower. State governments often guarantee the loans taken by state enterprises, urban local bodies, cooperative institutions, and other state-owned entities. The report noted that such guarantees may lead to significant fiscal risks and burden state finances. Key recommendations included:

- **Definition of guarantees**: The working group recommended that there should be no distinction between the type of guarantees to compute the total amount of guarantees extended. These include conditional/unconditional guarantees and financial/performance guarantees. It should include all instruments which create an obligation on the issuer for making payments on behalf of the borrower, whether contingent or otherwise.

- **Ceiling on guarantees**: The report recommended a ceiling of incremental guarantees issued during a year at 5% of revenue receipts or 0.5% of GSDP, whichever is less.

- **Guidelines for guarantee policy**: The central government should issue guidelines to be observed by states while formulating their guarantee policy. These include: (i) extending guarantees only for principal and normal interest of a loan, (ii) not extending guarantees for external commercial borrowings, (iii) not guaranteeing more than 80% of the project loans, and (iv) not guaranteeing loans of private companies and institutions.

- **Risk categorisation**: States should classify projects as high risk, medium risk, and low risk and assign risk weights for extending guarantees. Risk categorisation should take into account the past record of defaults.

**Guarantee scheme for corporate debt notified**

In July 2023, the Ministry of Finance notified the Guarantee Scheme for Corporate Debt. The scheme provides a guarantee cover against debt raised/to be raised by the Corporate Debt Market Development Fund. The Fund is under Securities and Exchange Board of India (SEBI) regulations. In normal times, it invests in liquid, low risk debt instruments. In periods of market dislocation, the Fund invests in eligible corporate debt securities. Market dislocation refers to stress in the financial sector which will be determined by SEBI according to a prescribed framework. The guarantee cover will not exceed Rs 30,000 crore. The scheme is implemented for a 15-year period which can be extended by the Department of Economic Affairs. Debt-oriented mutual funds (which pool money to invest in debt instruments) contribute 0.25% of
their assets under management (AUM) to the Fund. They also provide additional contributions with increase in their AUM. Existing/new asset management companies of specified debt-oriented mutual funds make a one-time contribution towards the Fund.

**IRDAI issued insurance electronic marketplace regulations**

The Insurance Regulatory and Development Authority of India (IRDAI) notified the IRDAI (Bima Sugam – Insurance Electronic Marketplace) Regulations, 2024 in March 2024. Bima Sugam will be a digital public infrastructure for purchasing insurance policies, settling claims, and grievance redressal. Key features include:

- **Establishment:** Bima Sugam will be established by a not-for-profit company formed under the Companies Act, 2013. The company will be responsible for operating and maintaining the electronic marketplace. The company’s shareholding will be distributed amongst life insurers, general insurers, and health insurers.

- **Functions:** The functions of the electronic marketplace and the company include: (i) creating end-to-end digital solutions for the insurance sector, (ii) implementing consent-based architecture for its services, (iii) storing, maintaining, and processing data as per applicable laws, and (iv) allowing fair and open access to its services. The company must have a self-sustainable revenue model. Customers will not be charged for using the services of the marketplace.

**RBI issued framework for floating interest rate on monthly instalments**

In August 2023, the Reserve Bank of India (RBI) released a framework for resetting floating interest rates in equated monthly instalments (EMIs). When sanctioning EMI for floating rate-based personal loans, regulated entities (such as banks) are required to account for the borrower’s repayment capacity. Regulated entities should ensure that sufficient headroom exists to provide for increases in loan tenor and/or increase in EMI. Such an increase can happen due to the increase in the external benchmark rate (such as the repo rate). RBI had received consumer grievances on increases in loan tenor and/or increases in EMI amounts without proper communication or consent of the borrower. Key features include:

- **Disclosure to borrowers:** At the time of sanctioning loans, regulated entities must clearly communicate the possible impact of changes in benchmark interest rates on the loan tenor, EMI, or both. Any increase must be communicated to the borrower immediately.

- **Fixed interest rate:** When resetting interest rates, borrowers must be given the option to switch to a fixed interest rate. The policy framed by regulated entities may specify the number of times a borrower will be allowed to switch during the tenor of the loan. All charges for switching loans from floating to fixed rate must be transparently disclosed in the loan sanction letter.

- **Options for borrowers:** The borrowers must be allowed to opt for: (i) an increase in EMI, loan tenor, or combination of both and (ii) prepaying the loan at any point in its tenor.

**RBI issued framework for self-regulatory organisations**

The Reserve Bank of India (RBI) released a framework in March 2024 for recognising self-regulatory organisations (SROs) for regulated entities. RBI noted that with the increase in number and scale of regulated entities, a need was felt to develop better industry standards for self-regulation. Entities regulated by the RBI include banks, non-banking finance companies, and payment system operators. SROs can improve effectiveness of regulations through technical expertise and aid in framing regulatory policies. Key features include:

- **Process for recognition:** An interested SRO may apply to RBI for recognition. For this, it must meet certain eligibility criteria such as: (i) being registered as a not-for-profit company, (ii) representing the sector and having specified membership, and (iii) its directors must have professional competence along with a general reputation of fairness and integrity.

- **Adherence to specified principles:** A SRO should: (i) derive authority from membership agreements to set ethical and governance standards, (ii) establish objective and consultative processes to make rules for conduct of its members, (iii) develop standards for improving compliance culture, and (iv) have surveillance methods for effective monitoring of the sector.

- **Responsibilities towards members:** The primary responsibility of the SRO towards its members will be to promote best business practices. Other responsibilities include: (i) framing and monitoring adherence to the code of conduct for its members, (ii) developing a uniform and non-discriminatory membership fee structure, (iii) establishing a grievance redressal and dispute resolution/arbitration framework for its members, and (iv) promoting knowledge of statutory/regulatory provisions.
- **Membership criteria:** SROs should have a good mix of members at all levels to represent the sector holistically. The membership criteria will be prescribed by RBI. Membership to an SRO will be voluntary. The minimum prescribed membership must be attained within two years from the grant of recognition to the SRO.

**RBI issued instructions for penal charges in loan accounts**

The Reserve Bank of India (RBI) issued instructions in August 2023 on the levy of penal interest/charges on loans.\(^45\) Penal interest/charges are levied to inculcate credit discipline. Such charges are not meant to be used for revenue enhancement over and above the contracted rate of interest. Supervisory reviews by RBI indicated divergent practices amongst regulated entities (such as banks) for penal interest/charges on loans. Key instructions include:

- **Levying penal charges:** Penalty for non-compliance of material terms and conditions of the loan must be treated as penal charges and not as penal interest. There must be no capitalisation of penal charges, which implies that no interest should be computed on such charges. The quantum of penal charges must be reasonable and commensurate with non-compliance of material terms and conditions of the loan contract.

- **Individual borrowers:** Penal charges on loans given to individual borrowers for non-business purposes must not be higher than such charges on loans to non-individual borrowers.

- **Disclosure to borrowers:** The quantum and reason for penal charges must be clearly disclosed in the loan agreement. The regulated entities must not introduce any additional components to the interest rate.

**RBI released directions on investment portfolio of commercial banks**

In September 2023, the Reserve Bank of India (RBI) released the RBI (Classification, Valuation and Operation of Investment Portfolio of Commercial Banks) Directions, 2023.\(^46\) The framework is applicable for all commercial banks, excluding regional rural banks, from April 1, 2024. Key features include:

- **Investment policy framework:** Banks must adopt an investment policy approved by their boards. The policy must include: (i) investment criteria and objectives to be achieved through investment transactions, (ii) securities in which banks can invest, and (iii) derivatives in which the banks can deal. The policy will provide for prudential limits for investment in securities, such as limits for investing in bonds issued by public sector undertakings and corporates. Banks must establish an equity research department to ensure expertise in the field.

- **Categorisation of investments:** Investment portfolio of banks must be categorised into: (i) held to maturity (securities acquired with the intention of holding them to maturity), (ii) available for sale (securities acquired for collecting cash flows as well as sale), and (iii) fair value through profit and loss (securities that do not fall in the above two categories). Reclassification of securities will require approval from the bank’s board as well as RBI.

- **Internal control system:** Banks must have a robust internal control mechanism for investment transactions. This includes: (i) periodic reconciliation of the investment book, (ii) valuation of portfolios, and (iii) monitoring of prudential and risk limits.

**RBI released circular to regulate cross border payment aggregators**

In October 2023, the Reserve Bank of India (RBI) released a circular on the regulation of cross-border payment aggregators (PA-CB).\(^47\) These entities facilitate online cross-border transactions for the import and export of permissible goods and services. The regulations apply to non-bank payment aggregators. Key features include:

- **Applicability and scope:** Non-bank aggregators will have to apply with RBI for authorisation by April 30, 2024. Aggregators can continue to offer services until receiving authorisation from the RBI. However, they must have complied with the 2020 Guidelines on Regulation of Payment Aggregators and Payment Gateways by January 31, 2024.\(^48\) Existing non-bank aggregators will be required to wind-up operations by July 31, 2024 if they do not apply for authorisation or meet certain other requirements.

- **Requirements for aggregators:** The circular requires existing non-bank aggregators to have a minimum net worth of Rs 15 crore when they submit their application for authorisation. They must have a minimum net worth of Rs 25 crore by March 31, 2026. New aggregators must have a net worth of Rs 25 crore by the third financial year of operations. Import and export transactions processed by PA-CBs cannot exceed a value of Rs 25 lakh per unit of goods or services purchased/sold.
**SEBI revised framework for debt issuance by large corporates**

The Securities and Exchange Board of India (SEBI) revised the framework for debt issuances by large corporates in October 2023.\(^{49,50}\) Under the previous SEBI regulations, large corporates had to raise 25% of their incremental borrowings in a financial year by issuing debt securities (such as bonds). Large corporates include all listed entities (excluding banks) that have an outstanding long-term borrowing of at least Rs 100 crore, among other criteria. This amount did not include external commercial borrowings and borrowings between a parent entity and its subsidiaries. The revised framework increased this threshold to Rs 1,000 crore. In addition, the following is not considered a part of outstanding long-term borrowing: (i) grants or deposits received as per directions of the central government, (ii) borrowings arising on account of interest capitalisation, and (iii) borrowings for the purposes of mergers and acquisitions.

**Guidelines for Bima Vahaks released**

In October 2023, the Insurance Regulatory and Development Authority of India (IRDAI) released the Insurance Regulatory and Development Authority of India (Bima Vahak) Guidelines, 2023.\(^{51}\) The guidelines will come into force when the Bima Vistaar scheme will be launched. Bima Vistaar seeks to provide insurance cover for rural population. A Bima Vahak is an individual engaged for providing insurance services. Key features include:

- **Appointment and engagement:** The Bima Vahak can be a corporate or an individual appointed by the insurer for the sale of Bima Vistaar and other insurance products, and to facilitate policy and claims servicing. The insurer will be responsible for the actions and conduct of Bima Vahaks engaged by them. Various consumer protection measures will be implemented. These include: (i) Bima Vahaks will only collect insurance premiums, (ii) ID cards will be issued to the Bima Vahaks, (iii) collection of premiums will be done through electronic handheld devices, and (iv) contact details of the grievance redressal officer shall be prominently displayed at retail outlets of corporate Bima Vahaks.

- **Formulation of policy:** The Life Insurance Council and the General Insurance Council will develop a common set of operational and conduct standard for Bima Vahaks. These standards must include: (i) minimum educational qualifications, (ii) training requirements such as the KYC process and personal data protection, and (iii) the maintenance of database including confidentiality of data of all policies.

**RBI released directions on information technology governance and risks**

In November 2023, the Reserve Bank of India (RBI) released the RBI (Information Technology Governance, Risk, Controls and Assurance Practices) Directions, 2023.\(^{52}\) The directions provide the framework for IT governance, risk, controls, and business continuity/disaster recovery management. These apply to entities such as banks, non-banking financial companies, the National Bank for Agriculture and Rural Development, and the National Bank for Financing Infrastructure and Development.

Regulated entities must establish a board-level IT Strategy Committee (ITSC) headed by an independent director with IT expertise. An Information Security Committee (ISC) must be formed for managing cyber/information security. The Business Continuity Plan and the Disaster Recovery Policy must adopt best practices to reduce the likelihood as well as the impact of disruptive incidents.

**SEBI approved changes to framework for social stock exchanges**

The Securities and Exchange Board of India (SEBI) approved changes to the Social Stock Exchange (SSE) at its board meeting in November 2023.\(^{53}\) SSE allows non-profit and for-profit social enterprises to raise funds. Not-for-profit organisations can raise funds by issuing zero coupon zero principal (ZCZP) instruments on the SSE. The ZCZP instrument has no coupon payment or principal repayment at maturity. SEBI decided to halve the minimum issue size for these instruments from one crore rupees to Rs 50 lakh. Minimum application size for public issuance of such instruments was also reduced from two lakh rupees to Rs 10,000. Entities must be registered as charitable trusts under the relevant statute or a Section 8 company (company for a charitable purpose). SEBI has expanded non-profits eligible for registration on the SSE to include educational and medical institutions.

**RBI issued directions for management of foreign exchange risk**

In January 2024, the Reserve Bank of India (RBI) issued revised directions for the management of foreign exchange risk.\(^{54}\) Key features include:

- **Platform for offering hedging products:** Foreign exchange contracts can be offered over both over the counter and through recognised stock exchanges. Over the counter transactions are conducted on platforms other than recognised stock exchanges.

- **Classification of users:** Users of the counter foreign exchange derivative contracts
will be divided into retail and non-retail. A foreign exchange derivative contract derives its value from the change in exchange rate of two currencies, at least one of which is not Indian rupee. Non-retail users include insurance companies, pension funds, mutual funds, and residents with minimum net worth of Rs 500 crore or minimum turnover of Rs 1,000 crore.

- **Products offered by stock exchanges:** Recognised stock exchanges may offer foreign exchange derivative contracts involving Indian rupee for hedging contracted exposure. Contracted exposure implies currency risk from current or capital account transactions. Foreign exchange derivative contracts not involving Indian rupee can be offered without any restrictions on purpose.

**IRDAI notified regulations for insurance products**

In March 2024, the Insurance Regulatory and Development Authority of India (IRDAI) notified the IRDAI (Insurance Products) Regulations, 2024. The Regulations provide a framework for designing insurance products and sets up committees to design the products. It repealed several regulations including: (i) the IRDAI (Micro Insurance) Regulations, 2015, (ii) the IRDAI (Health Insurance) Regulations, 2016, and (iii) the IRDAI (Unit Linked Insurance Products) Regulations, 2019. Key features include:

- **Design and pricing:** Design and pricing of insurance products must adhere to certain criteria. These include: (i) ensuring evolving risk coverage needs of customers, (ii) simple-to-understand products, (iii) premium rates not being excessive, inadequate, or discriminatory, and (iv) factoring in all relevant risks while pricing products.

- **Product Management Committee:** The Board of every insurer must constitute a Product Management Committee. Responsibilities of the Committee include ensuring: (i) appropriate product design for the target market, (ii) regulatory compliance, (iii) periodic reviews of product performance, and (iv) modification or withdrawal of the product, if required.

- **Review of products:** All insurance products must be reviewed at least once a year by the appointed actuary (professional who measures and manages risk and uncertainty). The review should consider: (i) reasonable expectations of all stakeholders, (ii) financial viability of the product, (iii) emerging risk and experience under the product, and (iv) any other factors.

**IRDAI issued regulations for protection of interest of policyholders**

The Insurance Regulatory and Development Authority of India (IRDAI) notified the IRDAI (Protection of Policyholders’ Interests, Operations and Allied Matters of Insurers) Regulations, 2024 in March 2024. The Regulations superseded multiple regulations dealing with subjects such as insurance premiums, issuance of insurance policies, and protection of policyholders’ interests. The Regulations apply to all insurers and distributors, barring entities engaged exclusively in the reinsurance business. Key features include:

- **Principles for serving policyholders:** Insurers must follow certain principles for servicing policyholders. These include: (i) providing the necessary information about various services, (ii) delivering services within a reasonable time, and (iii) not pressuring policyholders to change products or switch between providers.

- **Free look period:** Policyholders of life and individual health insurance policies must be provided with a 30-day free look period from the date of receiving the policy document. If the policyholder disagrees with any conditions of the policy within this period, he may choose to cancel the policy. On cancellation of the policy, the premium paid must be refunded to the policyholder. Earlier, a free look period of 15 days is allowed in case of physical policies and 30 days for electronic policies and those obtained through distance mode.

- **Issuance of insurance policies:** All insurers must have a board-approved policy regarding issuance of insurance policies in the electronic form. It should cover: (i) measures to safeguard data privacy, (ii) framework on data security, and (iii) continuous review and upgradation of cyber security safeguards.

**SEBI approved same-day settlement for securities and relaxed certain requirements for listed companies**

The Securities and Exchange Board of India (SEBI) approved various decisions at its board meeting in March 2024. Key decisions include:

- **Same-day settlement:** SEBI approved the launch of same-day settlement for certain securities on a pilot basis. The new framework will be reviewed at the end of three months and six months from the date of implementation, based on which SEBI will decide the future course of action.

- **Relaxations for listed companies:** Amendments to the SEBI (Listing Obligations and Disclosure Requirements) Regulations,
2015, were approved to facilitate ease of doing business. These include: (i) determining market capitalisation based on the basis of average market capitalisation of six months instead of a single day, (ii) extending the timeline for filling vacancies of key managerial personnel from three months to six months, and (iii) increasing the permitted gap between two consecutive meetings of the risk management committee from 180 days to 210 days.

Corporate Affairs

The Competition (Amendment) Bill, 2022 passed

The Competition (Amendment) Bill, 2022 was passed by Parliament in April 2023. The Bill had been examined by the Standing Committee on Finance, which suggested certain changes. Some of these changes were incorporated into the Bill at the time of passing. The Bill amended 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 that 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 has expanded the definition of combinations to include transactions with a value above Rs 2,000 crore. The Bill provided that the threshold would apply in cases where any enterprise, which is a 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 specified 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 has 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, see [here](#).

**Competition Commission of India notified commitment and settlement regulations**

In March 2024, the Competition Commission of India (CCI) notified the Competition Commission of India (Commitment) Regulations, 2024, and the Competition Commission of India (Settlement) Regulations, 2024. These Regulations were notified under the Competition Act, 2002, which was amended in 2023 to provide for the commitment and settlement commitment framework. The amended Act allows enterprises to offer certain commitments (such as change in market behaviour) or pay settlement. This applies to entities against whom an inquiry has been initiated by CCI for anti-competitive agreements or abusing their dominant position. Key features of the 2024 Regulations include:

- **Commitment:** A commitment application must be filed with CCI within 45 days from receiving the order passed by CCI to initiate an investigation. The CCI may pass orders agreeing to or rejecting the commitments offered. The entire process must be completed in 130 working days from the receipt of the commitment application. CCI’s order on the commitment is not be considered as a finding of contravention against the applicant. The effectiveness of the commitments offered are to be measured against factors such as: (i) nature, duration, and extent of the alleged contravention, (ii) if the commitment terms address the competition concerns, and (iii) if the commitment terms ensure competition.
• **Settlement:** A settlement application must be made within 45 days from receiving the investigation report of the Director General of CCI into the alleged contraventions. CCI can pass orders agreeing to or rejecting the settlement proposal. The entire process must be completed within 180 working days from the receipt of the settlement application. The settlement amount is determined by applying a discount of 15% on a base amount. This base amount can extend to the maximum penalty that can be levied by CCI in cases of anti-competitive agreements or abuse of dominant position. The settlement order passed by the CCI is not considered as a finding of contravention against the applicant.

**Ministry of Corporate Affairs revised threshold for regulation of combinations**

In March 2024, the Ministry of Corporate Affairs revised the minimum threshold of assets and turnover for regulation of combinations under the Competition Act, 2002.⁶⁸⁷⁰⁷¹ The Act provides the minimum threshold value of assets and turnover for combinations (implying mergers, acquisitions, or amalgamation of enterprises). Combinations falling above this threshold are examined by the Competition Commission of India to ensure that they would not lead to an adverse effect on market competition. The Act empowers the central government to change this threshold every two years based on wholesale price index, fluctuations in exchange rate, or other relevant factors.

**Table 6: Changes in thresholds for domestic combinations (Rs crore)**

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Old</th>
<th>New</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Enterprise Level</td>
<td></td>
</tr>
<tr>
<td>Assets</td>
<td>2,000</td>
<td>2,500</td>
</tr>
<tr>
<td>Turnover</td>
<td>6,000</td>
<td>7,500</td>
</tr>
<tr>
<td></td>
<td>Group level</td>
<td></td>
</tr>
<tr>
<td>Assets</td>
<td>8,000</td>
<td>24,000</td>
</tr>
<tr>
<td>Turnover</td>
<td>10,000</td>
<td>30,000</td>
</tr>
</tbody>
</table>

Source: S.O. 1130(E), Ministry of Corporate Affairs; PRS.

**Report on digital competition law submitted, along with a draft Digital Competition Bill**

The Committee on Digital Competition Law was constituted to evaluate the need for an ex-ante competition framework for digital markets in India.²⁷ In its report, which was released in March 2024, the Committee also published a draft Bill to give effect to its recommendations. Observations and recommendations of the Committee include:

• **Need for ex-ante regulation of digital competition:** The Committee noted that the current ex-post framework (intervening after an event occurs) under the Competition Act, 2002, does not facilitate timely redressal of anti-competitive conduct by digital enterprises. It observed that the present framework may not be effective to address the irreversible tipping of markets in favour of large digital enterprises (permanent dominance of a firm in relevant market). The Committee recommended enacting the Digital Competition Act to enable the Competition Commission of India (CCI) to selectively regulate large digital enterprises in an ex-ante manner (intervening before an event occurs). The proposed legislation should only regulate enterprises that have a significant presence and the ability to influence Indian digital market.

• **Systemically Significant Digital Enterprises (SSDEs):** The Committee noted that certain features of digital markets allow digital enterprises to swiftly gain influence. These features include: (i) collection of user data, which can allow large incumbent enterprises to enter related markets, (ii) network effects where the utility of a service increases when number of users consuming the service increases, and (iii) economies of scale wherein incumbents can offer digital services at lower costs as compared to new entrants. The Committee recommended designating entities offering certain core digital services as SSDEs for ex-ante regulation, which are susceptible to market concentration. These include search engines, social networking services, operating systems, and web browsers.

• **Obligations of SSDEs:** The draft Digital Competition Bill, 2024, as recommended by the Committee, prohibits SSDEs from carrying out certain practices. These include: (i) favouring their own products and services or those of related parties, (ii) use non-public data of business users operating on their core digital service to compete with those users, (iii) restrict users from using third-party applications on their core digital services, and (iv) requiring or incentivising users of an identified core digital service to use other products or services offered by the SSDE.

For a PRS summary of the report, see here.

**Commerce and Industry**

**Parliament passed Jan Vishwas (Amendment of Provisions) Bill, 2022**

The Jan Vishwas (Amendment of Provisions) Bill, 2022 was passed by Parliament in August 2023.⁷³ The Bill sought to improve ease of doing business by decriminalising and removing imprisonment as a punishment from various laws. The Joint
Committee (Chair: Mr. P.P. Chaudhary) set up to scrutinise the Bill submitted its report on March 17, 2023. All the recommendations by the Committee were accepted. Bill as recommended by the Committee was passed. Key features of the Bill include the following:

- **Amendments to punishments**: The Bill has reduced fines and penalties for various contraventions and offences under the principal Acts. It has also converted some fines to penalties, which need not be imposed through the judicial process. For some provisions, the Committee recommended amendments to the severity of penalties. For example, under the Pharmacy Act, 1948, the Committee recommended increasing the penalty for falsely pretending to be in a state register of pharmacists. This offence was punishable with a fine of up to Rs 500 for the first offence. Under the Bill, a first offence was punishable by a penalty of up Rs 50,000. The committee recommended enhancing this penalty to one lakh rupees.

- **Adjudication of penalties**: The Bill has provided for the central government to appoint adjudicating officers to: (i) conduct inquiries into contraventions, (ii) summon individuals for evidence, and (iii) decide and impose penalties. The Bill removed imprisonment as a punishment from some laws, but did not introduce adjudicating authorities for them. The Committee recommended amendments that do so. It recommended an existing official or body, such as the RBI, be notified as adjudicating officer for contraventions under the Government Securities Act, 2006. For other laws, the Committee recommended that an officer of a given rank may be notified as the same. For example, the Committee recommended that the District Magistrate be designated as Adjudicating Officer under the Boilers Act, 1923.

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

**Cabinet approved Uttar Poorva Transformation Industrialisation Scheme**

In March 2024, the Union Cabinet approved the Uttar Poorva Transformative Industrialisation Scheme (UNNATI), 2024. The central sector scheme will be implemented over a 10-year period with a total cost of Rs 10,037 crore. The scheme aims to develop industries and generate employment in the north-eastern states. It is divided into two parts: (i) Rs 9,737 crore for incentives to eligible units and (ii) Rs 300 crore for implementation and institutional arrangements.

Incentives that will be provided under the scheme include: (i) capital investment incentive for new and expanding units, (ii) interest subvention for new and expanding units, and (iii) incentives linked to manufacturing for new units. The following committees will be constituted to oversee the implementation: (i) a Steering Committee, that will decide any interpretation of the scheme and issue guidelines for implementation, (ii) a State Level Committee, that will monitor the implementation, and (iii) a Secretary Level Committee, that will be responsible for its implementation.

**India signed trade agreement with European Free Trade Association**

India signed a trade and economic partnership agreement with the European Free Trade Association (EFTA) in March 2024. The EFTA comprises Switzerland, Iceland, Norway, and Liechtenstein. Under the agreement, EFTA will aim to increase foreign direct investment in India by USD 100 billion in the next 15 years. India will have market access covering all non-agricultural products and tariff concession on processed agricultural products in the EFTA. India will provide tariff concessions on certain goods such as certain items of iron and steel, garments, and building machinery.

**National Turmeric Board constituted**

The Department of Commerce constituted a National Turmeric Board in October 2023. India is the largest producer, consumer, and exporter of turmeric in the world. The objectives of the Board include: (i) promoting new product development and value addition in turmeric, (ii) facilitating market research in potential international markets, (iii) facilitating creation and improvement of infrastructure and logistics for exports of turmeric products, (iv) promoting quality compliance and safety standards, and (v) encouraging studies and clinical trials on the benefits of turmeric.

The 18-member Board includes: (i) a chairperson appointed by the central government, (ii) four members representing the Ministries/Departments of Commerce, Agriculture, AYUSH and, Pharmaceuticals, (iii) three members representing turmeric producing states on a rotation basis, (iv) three members (nominated by the central government) representing turmeric growers, and (v) the secretary of the Spices Board. The term of the chairperson and members is a maximum of three years from the date of appointment. The Board must hold at least two meetings in a year.
Agriculture

Bill to amend laws regulating coastal aquaculture passed

Parliament passed the Coastal Aquaculture Authority (Amendment) Bill, 2023 in August 2023. The Bill amended the Coastal Aquaculture Authority Act, 2005. The Act established the Coastal Aquaculture Authority for regulating the rearing and cultivation of fish under controlled conditions in coastal areas. The Standing Committee on Agriculture, Animal Husbandry and Food Processing (Chair: P.C. Gaddigoudar) had submitted its report on the Bill in July 2023. The Committee broadly endorsed provisions of the Bill. Key features of the Bill include:

- **Regulation of allied coastal aquaculture activities**: The Act regulates coastal aquaculture farms which carry out activities such as culturing of shrimp, prawns or any other aquatic life under controlled conditions in saline or brackish water. The Bill added that any facility that is engaged in coastal aquaculture or any allied activity will be regulated as a coastal aquaculture unit. Allied activities include nucleus breeding centres, hatcheries, brood stock multiplication centres, and farms. The Bill provides for the registration and regulation of such units.

- **Some allied activities to be allowed in certain protected areas**: The Act prohibited coastal aquaculture in certain areas, such as 200 metres within the High Tide Line and in creeks/backwaters within the Coastal Regulation Zone (CRZ). The Bill amended this to allow some allied activities in protected areas. For instance: (i) activities like nucleus breeding centres will be permitted to operate in no development zones, and (ii) activities like seaweed culture will be permitted in creeks/backwaters within the CRZ. Nucleus breeding centres are those where fish/shrimp are cultivated at the larvae stage of their life cycle.

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

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

Central sector scheme for fisheries approved

The Union Cabinet approved the Pradhan Mantri Matsya Kisan Samridhi Sah-Yojana (PM-MKSSY) in February 2023. It is a sub-scheme under the central sector scheme PM Matsya Sampada Yojana. The new scheme seeks to formalise the fisheries sector and support small and micro fisheries enterprises. Key components of the scheme include:

- **Formalising unorganised fisheries sector**: It seeks to gradually formalise the sector, through self-registration of fishers, fish farmers, and other supportive workers. Registration, disbursement of financial incentives, and training will be done on a digital platform.

- **Encouraging aquaculture insurance**: An insurance product that covers at least one lakh hectares of aquaculture farms is proposed to be created. A one-time incentive of up to one lakh rupees against purchase of insurance will be provided to small farmers.

- **Improving efficiency of value chains**: Efficiency of value chain is sought to be improved through performance grants. This is expected to incentivise microenterprises to reengage in production, creation and maintenance of jobs. For the general category, the performance grant will be limited to 25% of the total investment or Rs 35 lakh, whichever is lower.

- **Adopting product safety and quality system**: Micro and small enterprises will be incentivised to adopt safety and quality assurance systems in marketing fish and fishery products. Similar performance grants will be provided for adopting these standards.

The scheme will have an estimated outlay of Rs 6,000 crore over four years until 2026-27. 50% of the cost of the scheme is being anticipated as investment from beneficiaries and private sector.

Fertiliser subsidy schemes approved

In May 2023, the Union Cabinet approved the revision in nutrient based fertiliser subsidy rates for Rabi 2022-23 and fixed subsidy rates for Kharif 2023. Revised rates under the nutrient based subsidy scheme will be effective between January 1, 2023 and March 31, 2023 for Rabi crops and between April 1, 2023 and September 30, 2023 for Kharif crops. Subsidy of Rs 38,000 crore will be provided for Kharif 2023.

In June 2023, the Cabinet Committee on Economic Affairs approved several schemes aimed at providing subsidised fertilisers for farmers. These are expected to encourage the judicious use of fertilisers, reduce input costs for farmers, and also promote organic farming. Key highlights of the schemes are:

- **Urea subsidy scheme**: Fertilisers such as urea and nitrogen are subsidised for the use of farmers. Cabinet has approved the extension of the urea subsidy until 2024-25. This involves an expenditure of Rs 3.68 lakh crore over three years (2022-23 to 2024-25). Farmers will continue to receive urea at Rs 242 per bag of 45 kg (excluding taxes). The central government expects that the continuation of...
Further, eight nano-urea plants will be commissioned by 2025-26. The plants will have a production capacity of 44 crore bottles, equivalent to 195 lakh metric tonnes of conventional urea. As of August 2023, three plants with a capacity of 17 crore bottles have been set up at Kalol, Phulpur, and Aonla.\textsuperscript{84} Nano fertilisers (such as nano urea) involve higher nutrient use efficiency and cost less to farmers. Sulphur-coated urea (Urea Gold) will be introduced in the country. It is considered more economical and efficient than the currently used neem-coated urea. It is also expected to address the deficiency of sulphur in the soil.

Promotion of organic fertilisers: The Cabinet also approved a scheme for the marketing of organic fertilisers. This includes fermented organic manure and phosphate-rich organic manure. Market development assistance of Rs 1,500 per metric tonne will be provided. The total expected outlay on the scheme is Rs 1,452 crore. The scheme is expected to address the challenges of managing crop residue, stubble burning, and providing additional sources of income to farmers.

Cabinet approved support prices for crops

In June 2023, the Cabinet Committee on Economic Affairs approved the minimum support price (MSP) for kharif crops for the 2023-24 marketing season.\textsuperscript{85} Kharif crops are grown and harvested between October and September. MSP for rabi crops for the 2024-25 marketing season (July to June) was approved in October 2023.\textsuperscript{86} MSP refers to the assured price at which crops are procured from farmers by the central government.\textsuperscript{87}

**MSP for Kharif crops**

The MSP for paddy was increased by 7%. Crops such as moong, sesamum, and long-staple cotton saw the highest increase in MSP (10% each).

**Table 7: Minimum Support Price for Kharif crops 2023-24 (in Rs per quintal)**

<table>
<thead>
<tr>
<th>Crops</th>
<th>2022-23</th>
<th>2023-24</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moong</td>
<td>7,755</td>
<td>8,558</td>
<td>10%</td>
</tr>
<tr>
<td>Sesamum</td>
<td>7,830</td>
<td>8,635</td>
<td>10%</td>
</tr>
<tr>
<td>Cotton (long staple)</td>
<td>6,380</td>
<td>7,020</td>
<td>10%</td>
</tr>
<tr>
<td>Groundnut</td>
<td>5,850</td>
<td>6,377</td>
<td>9%</td>
</tr>
<tr>
<td>Cotton (medium staple)</td>
<td>6,080</td>
<td>6,620</td>
<td>9%</td>
</tr>
<tr>
<td>Jowar - Maldandi</td>
<td>2,990</td>
<td>3,225</td>
<td>8%</td>
</tr>
<tr>
<td>Jowar - hybrid</td>
<td>2,970</td>
<td>3,180</td>
<td>7%</td>
</tr>
<tr>
<td>Paddy - common</td>
<td>2,040</td>
<td>2,183</td>
<td>7%</td>
</tr>
<tr>
<td>Ragi</td>
<td>3,578</td>
<td>3,846</td>
<td>7%</td>
</tr>
<tr>
<td>Maize</td>
<td>1,962</td>
<td>2,090</td>
<td>7%</td>
</tr>
<tr>
<td>Soybean (yellow)</td>
<td>4,300</td>
<td>4,600</td>
<td>7%</td>
</tr>
<tr>
<td>Bajra</td>
<td>2,350</td>
<td>2,500</td>
<td>6%</td>
</tr>
<tr>
<td>Tur/Arhar</td>
<td>6,600</td>
<td>7,000</td>
<td>6%</td>
</tr>
<tr>
<td>Sunflower seed</td>
<td>6,400</td>
<td>6,760</td>
<td>6%</td>
</tr>
<tr>
<td>Nigerseed</td>
<td>7,287</td>
<td>7,734</td>
<td>6%</td>
</tr>
<tr>
<td>Urad</td>
<td>6,600</td>
<td>6,950</td>
<td>5%</td>
</tr>
</tbody>
</table>

Sources: Ministry of Agriculture and Farmers Welfare, PRS.

**MSP for Rabi crops**

The MSP for wheat was fixed at Rs 2,275 per quintal, an increase of 7% the previous season. The MSP for lentil (masur) was increased by 7%.

**Table 8: MSPs approved for Rabi crops for the 2024-25 season (in Rs per quintal)**

<table>
<thead>
<tr>
<th>Crop</th>
<th>2023-24</th>
<th>2024-25</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>2,125</td>
<td>2,275</td>
<td>7.1%</td>
</tr>
<tr>
<td>Lentil (Masur)</td>
<td>6,000</td>
<td>6,425</td>
<td>7.1%</td>
</tr>
<tr>
<td>Barley</td>
<td>1,735</td>
<td>1,850</td>
<td>6.6%</td>
</tr>
<tr>
<td>Rapeseed and Mustard</td>
<td>5,450</td>
<td>5,650</td>
<td>3.7%</td>
</tr>
<tr>
<td>Safflower</td>
<td>5,650</td>
<td>5,800</td>
<td>2.7%</td>
</tr>
<tr>
<td>Gram</td>
<td>5,335</td>
<td>5,440</td>
<td>2%</td>
</tr>
</tbody>
</table>

Sources: Press Information Bureau, Ministry of Agriculture and Farmers Welfare; PRS.

**FRP for sugarcane approved at Rs 315 per quintal**

In June 2023, the Cabinet Committee on Economic Affairs approved the Fair and Remunerative Price (FRP) for sugarcane for the sugar season (October-September) 2023-24 at Rs 315 per quintal.\textsuperscript{88} This was increase of about 3% over the FRP for the 2022-23 sugar season (Rs 305 per quintal). FRP is the minimum price at which sugar mills can purchase sugarcane from farmers.

FRP of Rs 315 per quintal is payable for the basic recovery rate of 10.25%. The recovery rate refers to the amount of sugar recovered from the cane. A premium/discount of Rs 3.07 per quintal is paid for every 0.1% increase/decrease in the recovery rate from the threshold of 10.25%. For a recovery rate...
of less than 9.5%, farmers will get a minimum assured price of Rs 292 per quintal.

Pharmaceuticals

Uniform Code for pharmaceutical marketing practices released

The Department of Pharmaceuticals (DoP) released the Uniform Code for Pharmaceutical Marketing Practices, 2024, in March 2024. The Code regulates the branding and promotion of pharmaceutical products in the country, and establishes a committee to handle related grievances. All Indian Pharmaceutical Associations are required to upload the Code and provide the detailed procedure for lodging complaints under the same, on their websites. Key features of the Code include:

- **Promotion**: Promotional material aimed at healthcare professionals must contain details such as: (i) the name of the relevant drug, (ii) active ingredients, (iii) recommended dosage and method of use, and (iv) possible side effects. Promotional material published in journals must not resemble their subject matter. No promotional material can use identifiers of any healthcare professional.

- **Brand reminders**: Brand reminders can only be disseminated through educational items (such as books and diaries) worth less than Rs 1,000 each and free drug samples. Brand reminders are items handed out by a company to promote its products. Free samples should be handed over directly to a person who is qualified to prescribe it or someone authorised to receive it on their behalf. The quantity of such samples must not exceed the prescribed dosage for three patients.

- **Claims**: Claims about the usefulness of a drug must be based on the latest evidence. Prohibited claims include: (i) calling a drug or therapeutic practice new if it has been generally available for over a year, (ii) calling a drug safe without qualification, and (iii) claiming it to be without side-effects. The Code also prohibits non-consensual use of brand names of products of other companies, and deprecating them.

- **Ethics Committee**: An Ethics Committee for pharma marketing practices must be set up in each pharmaceutical association to address complaints regarding compliance with the Code. It will consist of three to five members. The Committee should pass an order within 90 days of receiving a complaint. Violation of the Code will be punished with penalties including: (i) monetary recovery, (ii) corrective statements in the media, or (iii) expulsion from the association. An appeal against the Committee’s decision can be filed within 15 days before an Apex Committee headed by the secretary of the DoP.

Revamped Pharmaceuticals Technology Upgradation Assistance Scheme approved

The Ministry of Chemicals and Fertilisers approved the Revamped Pharmaceuticals Technology Upgradation Assistance Scheme in March 2024. The original scheme sought to facilitate pharmaceutical MSMEs to meet national and international regulatory standards. It also provided interest subvention on capital loans. Key features of the revamped scheme include:

- **Applicability expanded**: Under the original scheme, MSMEs were provided with interest subvention for meeting regulatory standards. The revamped scheme expands eligibility to include pharmaceutical manufacturing units include those whose average three-year turnover is below Rs 500 crore. However, preference will be given to MSMEs. An enterprise whose turnover is below Rs 250 crore is classified as an MSME.

- **Support for complying with new standards**: The revamped scheme supports a broader range of technological upgrades as global manufacturing standards have been revised. Under the original scheme, support was provided for upgrades such as heating, ventilation and air conditioning (HVAC) systems, stability testing chambers, and automatic particle counters for sterile areas. In addition to support for these upgrades, the revised scheme will cover clean room facilities, effluent treatment, and water and steam utilities.

- **Turnover-based incentive structure**: Incentive will be calculated as a percentage of actual investment made. It will also be linked to the average turnover in the past three years (see Table 9). The incentive per entity will be capped at one crore rupees.

<table>
<thead>
<tr>
<th>Turnover</th>
<th>Incentive (as % of investment)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than Rs 50 crore</td>
<td>20%</td>
</tr>
<tr>
<td>Rs 50 - 250 crore</td>
<td>15%</td>
</tr>
<tr>
<td>Rs 250 - 500 crore</td>
<td>10%</td>
</tr>
</tbody>
</table>

Sources: Press Information Bureau; PRS.
Consumer Affairs

Guidelines for regulating dark patterns in e-commerce notified

The Central Consumer Protection Authority (CCPA) notified Guidelines for Prevention and Regulation of Dark Patterns, 2023 in November 2023. Dark patterns refer to practices or deceptive design patterns in user interface or user experience (UI/UX) interactions of platforms, designed to mislead or trick users into performing unintended actions. These patterns impair consumer autonomy, decision making or choice, and amount to misleading advertisement, unfair trade practices, or violation of consumer rights. Key features of the Guidelines are:

- **Engaging in dark patterns prohibited:** The guidelines prohibit engaging in any dark pattern practices. These apply to: (i) all platforms offering goods or services in India, (ii) advertisers, and (iii) sellers. The CCPA, established under the Consumer Protection Act, 2019, is responsible for settling ambiguities or disputes related to the interpretation of dark patterns. The Act, failure to comply with the direction of the CCPA is punishable with imprisonment up to six months, a fine of up to Rs 20 lakh, or both.

- **Types of dark patterns:** The Guidelines define various dark patterns. Key patterns are listed in the table below.

**Table 10: Certain examples of dark patterns**

<table>
<thead>
<tr>
<th>Pattern</th>
<th>Description</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>False Urgency</td>
<td>Falsely stating or implying the sense of urgency or scarcity of a product/service</td>
<td>Falsely describing a sale as ‘exclusive’ for a limited set of users</td>
</tr>
<tr>
<td>Confirm Shaming</td>
<td>Using a phrase, video, audio or any other means to create a sense of fear, shame, guilt, or ridicule in the mind of the consumer</td>
<td>A platform for booking flight tickets uses the phrase ‘I will stay unsecured’ if the user does not add insurance to the cart</td>
</tr>
<tr>
<td>Trick Question</td>
<td>The deliberate use of confusing or vague language to misguide a user from taking desired action</td>
<td>Confusing options such as ‘Yes I would like to receive updates’ and ‘Not Now’ are provided to discontinue an update service</td>
</tr>
</tbody>
</table>

Sources: Guidelines on Prevention and Regulation of Dark Patterns, 2023; PRS.

Definition of direct selling entities amended

In June 2023, the Ministry of Consumer Affairs notified amendments to the Consumer Protection (Direct Selling) Rules, 2021. The Rules were notified under the Consumer Protection Act, 2019. As per the Act, direct selling does not include pyramid schemes, and is not done through a permanent retail location. The 2021 Rules specify the obligations and duties of direct selling entities. The amendments narrow the definition of a direct selling entity. Under the 2021 Rules, such an entity was defined as one that makes sales through direct sellers. The amendments define a direct selling entity as one that sells goods through its own network of sellers. The network must make sales solely for receiving consideration.

Media and Broadcasting

The Cinematograph (Amendment) Bill, 2023 passed by Parliament

The Cinematograph (Amendment) Bill, 2023 was passed by Parliament in July 2023. The Bill amended the Cinematograph Act, 1952. The Act constituted the Board of Film Certification for certifying films for exhibition. Such certifications may be subject to modifications or deletions. The Board may also refuse the exhibition of films. Key features of the Bill include:

- **Additional certificate categories:** The Bill added certain additional certificate categories based on age (see table below). Note that the age endorsement within the U/A category is for the information of the parent/guardian and enforceable only by them.

**Table 11: Age categories for movie certification**

<table>
<thead>
<tr>
<th>Age Category</th>
<th>Act</th>
<th>Bill</th>
</tr>
</thead>
<tbody>
<tr>
<td>U/A 7+</td>
<td>U/A 12+</td>
<td>U/A 13+</td>
</tr>
<tr>
<td>U/A 16+</td>
<td>Adult: 18+</td>
<td></td>
</tr>
</tbody>
</table>

Sources: The Cinematograph Act, 1952. The Cinematograph (Amendment) Bill, 2023; PRS.

- **Separate certificate for television/other media:** As per the Bill, Films with an ‘A’ or ‘S’ certificate require a separate certificate for exhibition on television, or any other media prescribed by the central government. The Board may direct the applicant to carry appropriate deletions or modifications for the separate certificate.

- **Unauthorised recording and exhibition to be punishable:** The Bill prohibits carrying out or abetting: (i) unauthorised recording and (ii) unauthorised exhibition of films. Attempt to create an unauthorised recording is also an offence. An unauthorised recording means making a copy of a film at a licensed place for film exhibition without the owner’s authorisation. An unauthorised exhibition
refers to publicly exhibiting an infringing copy of a film for profit.

For a PRS summary of the Bill, please see [here](https://www.legisprono.gov.in).

**Cinematograph (Certification) Rules, 2024 notified**

In March 2024, the Ministry of Information and Broadcasting notified the Cinematograph (Certification) Rules, 2024. The Rules replaced the Cinematograph (Certification) Rules, 1983 and retain most of its provisions. The Rules have been framed under the Cinematograph Act, 1952. They give effect to the provisions of the Cinematograph (Amendment) Act, 2023. Key features of the Rules include:

- **Approving authority for content:** The 2024 Rules add that the approving authority for certification will be different based on the type and length of the content. For instance, long theatrical releases (more than 72 minutes) are to be approved by the Chairperson of the Board, whereas the dubbed version of the same can be approved by the concerned Regional Officer. Currently, the Board has nine regional offices for film certification.

- **Representation of women in Board:** The 1983 Rules stated that the central government may take steps to ensure the representation of women in the Board and advisory panels. Advisory panels are constituted at a regional level for the examination of films. The 2024 Rules specify that one-third of the members of the Board and advisory panels must be women. Also, women should preferably comprise half of the Board and advisory panels.

- **Invitation of experts for certification:** The Rules allow the Regional Officer to invite one or more subject or language experts in the field of film for the examination of a film. If the experts are not invited for the initial screening, the content may be re-screened for the experts, without any additional cost to the applicant.

**Bill to regulate distribution of newspapers and periodicals passed by Parliament**

The Press and Registration of Periodicals Bill, 2023, was passed by Parliament in December 2023. The Bill repealed the Press and Registration of Books Act, 1867. Key features of the Bill are:

- **Registration of periodicals:** The Act provided for the registration of newspapers, periodicals, and books. It also provided for the cataloguing of books. The Bill instead, provides for the registration of periodicals, which include any publication containing public news, or comments on public news.

Periodicals do not include books, or journals of scientific and academic nature.

- **Foreign Periodicals:** An exact reproduction of a foreign periodical may be printed in India only with the prior approval of the central government. The manner of registration of such periodicals has been prescribed.

- **Press Registrar General:** The 1867 Act empowered the central government to appoint a Press Registrar to maintain a register of newspapers. The Bill empowers the Press Registrar General to register all periodicals. Other functions of the Press Registrar General include: (i) making guidelines for the admissibility of the title of periodicals, (ii) verifying circulation figures of prescribed periodicals, and (iv) revising, suspending, or cancelling registration.

For a PRS summary of the Bill, see [here](https://www.legisprono.gov.in).

**Press and Registration of Periodicals Rules, 2024 notified**

In March 2024, the Ministry of Information and Broadcasting notified the Press and Registration of Periodicals Rules, 2024. The Rules have been framed under the Press and Registration of Periodicals Act, 2023. The Act regulates the distribution of newspapers and periodicals. The Rules gave effect various provisions of the Act. Key features of the Rules include:

- **Single window system:** The Rules require the use of the ‘Press Seva Portal’, an online portal of the Press Registrar General. The portal was launched in February 2024. It is used for receiving applications, intimations, and documents. These include: (i) intimation by the printer of a periodical, (ii) registration of a replica of a foreign periodical, (iii) application for certificate of registration of a periodical, and (iv) furnishing annual statements.

- **Delivery of newspapers:** Publishers of newspapers are required to upload an electronic copy of the paper on the Press Seva Portal within 48 hours of its publication. Physical copies of the paper must be delivered to the Press Information Bureau in the state/UT on the fifth day of every month. Compliance with these provisions is used to ascertain if the newspaper is being published continuously.

- **Verification of circulation figures:** The Press Registrar General may verify the circulation figures of certain periodicals. They must fulfil these conditions: (i) have a daily circulation of at least 25,000 copies as per their annual statement, and (ii) be empanelled (or intend to do so) for obtaining advertisements by the central government. The Press Registrar
General or any authorised officer may verify a periodical, given they specify the reasons. Verification may be done through an electronic and faceless audit or physical verification.

Mines

Mines and Minerals (Development and Regulation) Amendment Bill, 2023 passed by Parliament

The Mines and Minerals (Development and Regulation) Amendment Bill, 2023 was passed by Parliament in August, 2023. The Bill amended the Mines and Minerals (Development and Regulation) Act, 1957. Key features of the Bill include:

- **Reconnaissance to include sub-surface activities**: The Act defines reconnaissance operations as operations undertaken for preliminary prospecting and includes: (i) aerial surveys, (ii) geophysical surveys, and (iii) geochemical surveys. It also included geological mapping. The Act prohibited pitting, trenching, drilling, and sub-surface excavation as part of reconnaissance. The Bill has allowed these activities.

- **Exploration licence for specified minerals**: The Act provides for the following types of concessions: (i) a reconnaissance permit for reconnaissance, (ii) a prospecting licence for prospecting, (iii) mining lease for undertaking mining, and (iv) a composite licence for prospecting and mining. The Bill introduced an exploration licence, which can authorise either reconnaissance or prospecting, or both activities for specified minerals.

- The exploration licence can be issued for 29 minerals specified in the Seventh Schedule. These include gold, silver, copper, cobalt, nickel, lead, potash, and rock phosphate. These also include six minerals formerly classified as atomic minerals under the Act: (i) beryl and beryllium, (ii) lithium, (iii) niobium, (iv) titanium, (v) tantalum, and (vi) zirconium. The Bill declassified them as atomic minerals. The Act reserves the prospecting and mining of atomic minerals for government entities.

- **Auction of certain minerals by the central government**: Under the Act, auction of concessions is undertaken by the state governments, except in certain specified cases. The Bill added that auction for composite licence and mining lease for specified critical and strategic minerals will be conducted by the central government. However, concessions will still be granted by the state government.

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

**Mining Rules amendments for grant of exploration licence notified**

The Ministry of Mines notified amendments to the Mineral (Auction) Rules, 2015 in January 2024. The Rules have been framed under the Mines and Minerals (Development and Regulation) Act, 1957. The Act regulates the mining sector in India. The 2015 Rules prescribe the procedure for auction of mines. Key features of the amended Rules include:

- **Auction of exploration licence**: The 1957 Act was amended in 2023 to introduce an exploration licence for minerals specified in the Seventh Schedule to the Act. These include lithium, cobalt, silver, and gold. An exploration licence allows either reconnaissance or prospecting, or both. Reconnaissance refers to preliminary survey to determine mineral resources. Prospecting involves exploring, locating, or proving mineral deposits.

- The exploration licencee has a share in the auction premium paid by the future lessee of the mining lease for the area explored by them. The share is payable for the entire period of 50 years or till the exhaustion of resources, whichever is earlier.

- The amended Rules provide that the state government may initiate the auction process for an exploration licence. Any person seeking to obtain an exploration licence may submit a proposal to the state government to notify an area for auction. They must provide available geoscience data for this purpose.

- **Bidding parameters**: For auction of exploration licence, the state government specifies a ceiling price. The ceiling price is expressed as the maximum percentage share in the auction premium payable by the future lessee of mining lease. The bidders quote a price which is equal to or lower than the ceiling price. The bidder with the minimum quoted price will be awarded the licence.

- **Performance security**: The licencee is required to provide a performance security. This security may be appropriated in specified cases. These include: (i) non-adherence to scheme of reconnaissance or prospecting, (ii) non-disclosure of entire exploration data, (iii) discrepancy in exploration data, and (iv) contravention of Rules or licence conditions.
Offshore Areas Mineral (Development and Regulation) Amendment Bill, 2023 passed by Parliament

The Offshore Areas Mineral (Development and Regulation) Amendment Bill, 2023 was passed by Parliament in August 2023. The Bill amended the Offshore Areas Mineral (Development and Regulation) Act, 2002. The Act regulates offshore mining in the maritime zones of India.

- **Introduction of a composite licence**: The Bill introduced a composite licence for granting rights for exploration and production operations. Under the composite license, the licensee is required to complete exploration within three years. This may be extended by two years upon application by the licensee. If mineral resources have been established, the licensee will be granted one or more production leases for the explored area. The production lease will be valid for 50 years.

- **Auction mandatory for certain concessions**: The Act provided for the grant of concessions through administrative allocation. The Bill mandated competitive bidding for a production lease and a composite license to private entities. Applications for production leases before the date on which provisions of the Bill come into effect, are void. An exploration licence granted before the date on which provisions of the Bill came into effect is ineligible to acquire a production lease on the explored area.

- **Offshore Areas Mineral Trust**: The Bill sets up the Offshore Areas Mineral Trust. Concession holders are required to pay an amount to the Trust in addition to any royalty. The funds will be used for specified purposes including: (i) exploration in offshore areas, (ii) research and studies about the mitigation of adverse effects of offshore mining on the ecology, and (iii) relief upon the occurrence of a disaster.

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

Amendment to determine prices of lithium, rare earth elements and niobium notified

The Ministry of Mines notified amendments to the Minerals (Other than Atomic and Hydro Carbons Energy Mineral) Concession Rules, 2016 in October 2023. They lay down the processes and criteria for acquiring a prospecting license and mining lease. The Rules have been framed under the Mines and Minerals (Development and Regulation) Act, 1957. The 2023 Amendment to the Act delisted six minerals, including lithium, niobium and rare earth elements from the list of atomic minerals. This has enabled auction of these minerals to the private sector. Key features of the Amendment Rules include:

- **Calculation of Metal Prices**: The Amendment Rules provide the manner for calculation of average sale price (ASP) of lithium, rare earth elements, and niobium. ASP is the key parameter for determining the value of minerals for which the mineral block is being auctioned. It is an important factor for auctions and calculating revenue for government, among other things.

- The Indian Bureau of Mines (IBM) publishes the ASP of all metals in Indian Rupees. It is determined by multiplying the price of metals by the average reference rate of the RBI for the corresponding month (of the currency in which the prices are obtained), using prices published by reputable metal exchange sources.

- An amendment in October 2023 made changes to the second schedule of the Act. It set the royalty for lithium and niobium mining at 3% of average sale price (ASP), and for rare earth oxide at 1% of the ASP.

### Table 12: Calculation of Prices

<table>
<thead>
<tr>
<th>Metal</th>
<th>Basis</th>
<th>Marketplace</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lithium</td>
<td>Weekly prices of specified lithium compounds published monthly</td>
<td>London Metal Exchange</td>
</tr>
<tr>
<td>Rare earth elements</td>
<td>The percentage of individual rare earth oxide contained in the ore multiplied by the average sale price of such rare earth oxide</td>
<td>United States Geological Survey (USGS) or other reputable sources</td>
</tr>
<tr>
<td>Niobium</td>
<td>Prices published by the USGS or other trusted sources multiplied by the average reference rate.</td>
<td>United States Geological Survey (USGS) or other reputable sources</td>
</tr>
</tbody>
</table>

Source: G.S.R 737(E), Ministry of Mines; PRS.

Scheme for engagement of private agencies for exploration of strategic minerals notified

In December 2023, the Ministry of Mines notified the scheme for the engagement of private agencies for the exploration of critical and strategic minerals. Critical and strategic minerals are specified in the Schedule to the Mines and Minerals (Development and Regulation) Act, 1957. These include lithium, nickel, cobalt, selenium, platinum, and gold. The scheme seeks to boost the exploration of such minerals and provide funding.
for exploration operations through the National Mineral Exploration Trust (NMET). Key features of the scheme include:

- **Process for approval:** Interested agencies may select the area for exploration based on geoscience data and submit a proposal to the National Mineral Exploration Trust (NMET). Within one month of receiving the application, NMET must forward the proposal to the Geological Survey of India and concerned state governments for their comments. The comments should be provided within a month. Once the period for comments is over, NMET must grant in-principle approval or reject the applications within 15 days. Upon receiving the in-principle approval, the agency must submit a detailed proposal for final sanction.

- **Terms and conditions regarding mineral concessions:** The approval for exploration does not provide any rights for mineral concessions, including a mining lease. However, the agency may participate in the auction of mineral concessions over the block or a part it has explored. Any related party to the authorised agency participating in the auctions must be declared in advance.

- **Advance for exploration projects:** The NMET funds the projects approved under this scheme as per the established norms. It covers various stages of investigation of these exploration projects such as reconnaissance survey, preliminary exploration, general exploration, and detailed exploration. The authorised agency may avail up to 30% of the project cost from NMET as advance. The agency must submit a bank guarantee of the equivalent amount for availing advance.

### Rules for auction of mining lease and composite license amended

The Ministry of Mines notified amendments to the Mineral (Auction) Rules, 2015 in September 2023. The Rules have been framed under the Mines and Minerals (Development and Regulation) Act, 1957. The Act regulates the mining sector in India. The 2015 Rules prescribe the procedure of conducting auction of mines. Key features of the amended Rules include:

- **Concessions for critical and strategic minerals:** The amended Rules introduce certain requirements for the state government with regard to concessions for critical and strategic minerals. These minerals are specified in the First Schedule of the Act, and include lithium-bearing minerals and graphite. The state government must intimate the central government about: (i) the details of areas available for grant of composite license or mining lease within 45 days of the notification of the Rules, (ii) the receipt of geological survey reports for auction of composite license within 45 days of the receipt of report, and (iii) termination or lapse of mining lease/composite license, within 15 days of such an event.

- **Classification of land:** Under the 2015 Rules, the state government may hold an auction for granting a mining lease in an area with established mineral contents. Before the auction, the state government must identify and mark the area using surveying equipment. The area should be categorised as: (i) forest land, (ii) land owned by the state government, and (iii) land not owned by the state government. The amended Rules provide that for this purpose, state governments may use land details available in: (i) portal of the Prime Minister Gati Shakti, (ii) land record portal of the state government, or (iii) records of any other government authority.

### Labour

#### Cabinet approved central sector scheme for artisans and craftspeople

In August 2023, the Cabinet Committee on Economic Affairs approved PM-Vishwakarma, a central sector scheme for artisans and craftspeople. The Scheme provides concessional credit and facilitates skill upgradation. It covers artisans and craftspeople from 18 trades such as carpenters, armourers, blacksmiths, potters, masons, barbers, garland makers, and tailors. Eligible artisans and craftspeople must go through certain skill upgradation modules before being eligible for concessional credit. Credit is provided in the form of an enterprise development loan, at an interest rate of 5%. It is limited to one lakh rupees per person in the first tranche, and two lakh rupees in the second tranche. Additional marketing support and incentives for digital transactions are also provided. The scheme has a projected financial outlay of Rs 13,000 crore from 2023-24 to 2027-28. As of March 18, 2024, basic training has been completed for about two lakh applicants.

#### Medical insurance approved for certain retired persons

In February 2024, the Employees’ State Insurance Corporation (ESIC) approved the decision to extend medical benefits to certain retired persons. Previously, only those persons whose wages were below Rs 30,000 per month, were covered. By the above decision, benefits have also been extended to those persons whose wages are above this threshold. To be eligible, the worker...
must have been under insurable employment for at least five years before their superannuation or voluntary retirement.

### Space

#### Cabinet approved Indian Space Policy, 2023

The Union Cabinet approved the Indian Space Policy, 2023 in April 2023.¹³¹,¹³² This policy provides a framework for the space sector in India for the next decade. The Department of Space oversees the implementation of this Policy. Key features of the policy include:

- **Private sector:** Private sector will be permitted to undertake end-to-end activities in the space sector. These activities include establishing and operating: (i) space objects, (ii) ground-based assets, and (iii) related services such as communication, remote sensing, and navigation.

- **Regulation of space activities:** The Indian National Space Promotion and Authorisation Centre (IN-SPACe) will function as an autonomous government organisation with the mandate to promote, hand-hold, guide, and authorise space activities. IN-SPACe was established in 2020. IN-SPACe will periodically issue guidelines and procedures for the same. It will be a single window agency for authorisation of space activities by government and non-government entities. Activities eligible for authorisation include: (i) establishment and operation of space objects, (ii) launch and operation of space vehicles, (iii) establishment and operation of launch pads, and (iv) any planned re-entry of space objects.

- **Role of ISRO:** The Indian Space and Research Organisation (ISRO) will focus on the research and development of new space technologies and applications. It will also share technologies, products, processes, and best practices with non-government entities. Data from the remote sensing satellites of ISRO will be made accessible on a free and open basis. ISRO will work to demonstrate human spaceflight capability and develop a long-term roadmap for sustained human presence in space.

#### Cabinet approved amendments to FDI policy for space sector

The Union Cabinet approved amendments to the foreign direct investment (FDI) policy for the space sector in February 2024.¹³³ Under the previous policy, 100% FDI was allowed for establishment and operation of satellites upon government approval.¹³⁴ As per the amended policy, up to 74% FDI will be allowed for satellite manufacturing and operation, satellite data products, ground segment and user segment under the automatic route, i.e., without government approval. FDI beyond 74% will be subject to government approval. FDI up to 49% under the automatic route will be allowed for launch vehicles and spaceports, beyond which it will be subject to government approval. 100% FDI under the automatic route has been allowed for manufacturing of components and systems/sub-systems for satellites.
Home Affairs

Parliament passed Bills to replace three criminal laws

The Bharatiya Nyaya Sanhita, 2023 (BNS), the Bharatiya Nagrik Suraksha Sanhita, 2023 (BNSS) and the Bharatiya Sakshya Adhiniyam (BSA), 2023 were passed by Parliament in December 2023.¹³⁵,¹³⁶,¹³⁷ The BNS replaced the Indian Penal Code, 1860 (IPC),¹³⁸ The BNSS replaced the Code of Criminal Procedure, 1973 (CrPC), and the BSA replaced the Indian Evidence Act, 1872 (IEA).¹³⁹,¹⁴⁰ These will come into effect from July 1, 2024.¹⁴¹ The three Bills were introduced in Lok Sabha in August and examined by the Standing Committee on Home Affairs.¹⁴²,¹⁴³,¹⁴⁴ They were later withdrawn and replaced with new Bills, which incorporated most recommendations made by the Standing Committee. Key changes from the earlier laws include the following:

Bharatiya Nyaya Sanhita, 2023

- **Terrorism:** The BNS adds terrorism as an offence. It defines terrorism as an act that intends to: (i) threaten the unity, integrity, and security of the country, or (ii) likely to strike terror amongst the general public.

- **Organised Crime:** The BNS adds organised crime as an offence. This includes offences such as kidnapping, extortion, contract killing, land grabbing, financial scams, and cybercrime carried out on behalf of a crime syndicate.

- **Offences by a group on grounds of identity:** The new offences include murder and causing grievous hurt by a group of five or more people on grounds of certain identity markers as an offence. These markers include race, caste or community, sex, place of birth, language, personal belief, or any other grounds. These offences carry the same penalty as murder and causing grievous hurt.

- **Sedition:** The BNS removes the offence of sedition. It instead penalises the following: (i) exciting or attempting to excite secession, armed rebellion, or subversive activities, (ii) encouraging feelings of separatist activities, or (iii) endangering the sovereignty or unity and integrity of India. These offences may involve exchange of words or signs, electronic communication, or use of financial means.

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

Bharatiya Nagrik Suraksha Sanhita, 2023

- **Power to use handcuffs:** The BNSS provides for the use of handcuffs during arrest. It provides that handcuffs may only be used to arrest: (i) a habitual or repeat offender who has escaped custody, or (ii) a person who has committed offences such as rape, acid attack, organized crime, and acts endangering sovereignty, unity and integrity of India.

- **Successors deposing for transferred or retired officers:** The BNSS states that if an officer who prepared a document or report for an inquiry or trial is transferred, retired or has died, the Court will ensure that their successor officer deposes on the document.

- **Detention of Undertrials:** Under the CrPC, if an undertrial has served half the maximum imprisonment for an offence, he must be released on bail. This does not apply to offences punishable by death. The BNSS adds that this provision will not be extended to: (i) offences punishable by life imprisonment and (ii) undertrials charged with multiple offences.

- **Collection of Forensic Evidence:** The BNSS mandates forensic investigation for offences punishable with at least seven years of imprisonment. In such cases, forensic experts will visit crime scenes to collect forensic evidence and record the process on mobile phone or any other electronic device.

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

Bharatiya Sakshya Adhiniyam, 2023

- **Documentary evidence:** Under the IEA, a document includes writings, maps, and caricatures. The BSA retains this classification. It classifies electronic records as documents.

- **Admissibility of electronic or digital records as evidence:** The BSA provides that electronic or digital records will have the same legal effect as paper records. It expands the definition of electronic records to include information stored in semiconductor memory or any communication devices (smartphones, laptops). This will also include records on emails, server logs, smartphones, and locational evidence.

- **Oral evidence:** Under the IEA, oral evidence includes statements made before Courts by witnesses in relation to a fact under inquiry. The BSA allows oral evidence to be given electronically. This would permit...
For a PRS analysis of the Bill, see here.

The GNCT of Delhi (Amendment) Bill, 2023, passed by Parliament

The Government of National Capital Territory of Delhi (Amendment) Bill, 2023, was passed by Parliament in August 2023. It amended the Government of National Capital Territory of Delhi Act, 1991. The Bill concerns the control over civil services in Delhi. It replaced the Government of National Capital Territory of Delhi (Amendment) Ordinance, 2023 which was promulgated on May 19, 2023. On May 11, 2023, the Supreme Court ruled that the Delhi government will have control over civil services in Delhi, barring the subjects of police, public order and land. The Bill retrospectively applies from May 19, 2023. Key features include:

- **National Capital Civil Service Authority:** The Bill established the National Capital Civil Service Authority to recommend to the Lieutenant Governor (LG) of Delhi: (i) transfers and postings, (ii) matters related to vigilance, (iii) disciplinary proceedings, and (iv) prosecution sanctions of Group A officers of All India Services (except Indian Police Service), and officers serving the Delhi government. Officers serving in connection with subjects of police, public order, and land will not come under the Authority’s purview.

- The Authority consists of the Chief Minister of Delhi, Principal Home Secretary, and Chief Secretary of the Delhi government. Decisions of the Authority will be based on a majority of votes of the members present and voting. The quorum for a meeting will be two members.

- **Powers of the Lieutenant Governor (LG):** Under the Act, matters where the LG can act on his discretion are: (i) matters outside the legislative competence of the Delhi legislature but which have been delegated to the LG, or (ii) matters where he is required by a law to act in his discretion or exercise any judicial or quasi-judicial functions. The Bill specified that in these matters, the LG will act in his sole discretion. It expands the discretionary role of the LG by giving him powers to approve the recommendations of the Authority, or return them for reconsideration. The LG’s decision will be final in the case of a difference of opinion between him and the Authority. It also provides the LG with the authority to override the Delhi government on certain matters. These matters include summoning and proroguing the Delhi Legislative Assembly.

For a PRS analysis of the Bill, see here.

Bill to amend the Registration of Births and Deaths Act, 1969, passed by Parliament

The Registration of Births and Deaths (Amendment) Bill, 2023, was passed by Parliament in August 2023. It amends the Registration of Births and Deaths Act, 1969. The Act provides for the regulation of registration of births and deaths. Key features of the Bill include the following:

- **Aadhaar details of parents and informants required:** The Act requires certain persons (informants) to report births and deaths to the Registrar. For example, the medical officer in charge of a hospital where a baby is born must report the birth. The Bill adds that, in cases of births, the informant must also provide the Aadhaar number of the parents and the informant, if available. This provision also applies to: (i) jailor in case of births in a jail, and (ii) manager of a hotel or lodge in case of births in such a place. Further, it expanded the list of specified persons to include: (i) adoptive parents for non-institutional adoption, (ii) biological parent for births through surrogacy, and (iii) the parent in case of birth of a child to a single parent or unwed mother.

- **Database of births and deaths:** The Act provides for the appointment of a Registrar-General, India who may issue general directions for registration of births and deaths. The Bill adds that the Registrar General will maintain a national database of registered births and deaths. Chief Registrars (appointed by states) and Registrars (appointed by states for each local area jurisdiction) will be obligated to share data of registered births and deaths to the national database. The Chief Registrar must maintain a similar database at the state level.

- **Connecting database:** The Bill states that the national database may be made available to other authorities preparing or maintaining other databases. Such databases include: (i) population register, (ii) electoral rolls, (iii) ration card, and (iv) any other national databases as notified. The use of the national database must be approved by the central government. Similarly, the state database may be made available to authorities dealing with other state databases, subject to the state government’s approval.

For a PRS analysis of the Bill, see here.

Parliament passed Bill amending local bodies laws of Jammu and Kashmir

The Jammu and Kashmir Local Bodies Laws (Amendment) Bill, 2024 was passed by Parliament in February 2024. The Bill amended three laws

For a PRS analysis of the Bill, see here.

Key features of the Bill include:

- **Reservations for Other Backward Classes (OBCs):** Under the three Acts, seats in certain institutions in J&K are reserved for Scheduled Castes (SCs) and Scheduled Tribes (STs). The institutions are: (i) panchayats, (ii) municipalities, (iii) municipal corporations, (iv) block development councils, and (v) district development councils. The reserved seats are proportional to the population of these groups in the area covered by the respective institution. One-third of such seats are reserved for women. The Bill extended reservation to OBCs as well. OBCs are groups notified as weak and under-privileged by the Government of the union territory of J&K.

- **Mandate of the State Election Commission:** Under the J&K Panchayati Raj Act, 1989, the State Election Commission in J&K prepares the electoral rolls and conducts elections for panchayats, block development councils, and district development councils. The Bill designated election-related responsibilities of municipalities and municipal corporations to the State Election Commission. These responsibilities were earlier discharged by the Chief Electoral Officer.

- **Removal of State Election Commissioner:** The J&K Panchayati Raj Act, 1989 stated that the State Election Commissioner can only be removed from his office through an order passed by the Lieutenant Governor. Grounds for dismissal included misbehaviour or incapacity proved by an inquiry led by a sitting or retired High Court judge. The Bill amended this to provide that a State Election Commissioner can only be removed in the same manner and on the same grounds as a High Court judge.

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

### Amendment to Citizenship Rules notified

The Ministry of Home Affairs notified the Citizenship (Amendment) Rules, 2024, in March 2024. These amended the Citizenship Rules, 2009 to provide the process for citizenship as per the Citizenship (Amendment) Act, 2019. The 2019 Amendment Act makes illegal migrants, who are Hindus, Parsis, Buddhists, Jains, Christians, or Sikhs from Afghanistan, Pakistan, or Bangladesh, eligible for citizenship. They must have entered India on or before December 31, 2014. Key features of the 2024 Rules include:

- **Documents required:** The applicant must provide a copy of any one proof of nationality issued by the government of Afghanistan, Pakistan or Bangladesh. These include copy of passport, birth certificate, any type of identity document, license, or land records. The applicant must also provide any one of the specified documents that proves he entered India on or before December 31, 2014. These include copy of the visa and immigration stamp on arrival in India, ration card issued in India, rental agreement registered in India, insurance policies issued in India, or any letter issued by the government or Court to the applicant with an official stamp. All such records will be admissible even beyond their validity. An applicant must also submit an eligibility certificate declaring their religion. This must be attested by a locally reputed community institution.

- **Verification and grant of citizenship:** A District-level Committee, headed by the jurisdictional Senior Superintendent or Superintendent of Post, will verify the application and administer the oath of allegiance. It will submit the relevant documents to an Empowered Committee, headed by the Director of Census Operations of a State, for verification. If satisfied, the Empowered Committee will grant citizenship to the applicant. Under the 2009 Rules, applications are submitted to the relevant Collector. He verifies the application and then forwards it to the state government. The application is then sent to the central government, which grants citizenship after completing all inquiries.

**Ministry of Home Affairs released the Model Prisons and Correctional Services Act, 2023**

The Ministry of Home Affairs released the Model Prisons and Correctional Services Act, 2023 and circulated it to the state governments. Under the Constitution, prison is a state subject. While, states have their own laws on the management and administration of prisons, most of them are based on the Prisons Act, 1894 and the Prisoners Act, 1900. The 2023 Model Act aims to modernise the administration and management of prisons and align it with prisons reforms. It covers the organisation, classification, management, administration, and welfare of prisons and prisoners. Key features of the Model Act include:
• **Classification of prisoners**: The Model Act constitutes a committee for the classification and security assessments of prisoners. Prisoners may be classified under broad categories including: (i) civil, (ii) criminal, (iii) convicted, and (iv) undertrial. Within these categories, prisoners may be further classified into sub-categories and lodged separately. Sub-categories include: (i) drug addicts, (ii) first-time offenders, (iii) foreign prisoners, (iv) prisoners suffering from mental illness, and (v) prisoners sentenced to death. Prisons may also have separate sections for male, females, and transgender individuals.

• **Undertrial Review Committee**: The Model Act requires the establishment of an Undertrial Review Committee in every district. The Committee will be headed by the District and Sessions Judge. It will meet periodically and review the cases of prisoners eligible for bail in all prisons of the district. It will make necessary recommendations for each case.

• **Special watch and surveillance measures**: Prisons and Correctional Institutions will ensure special watch and surveillance measures on inmates to prevent organised crime and gang activity. To address this concern, prisons and correctional services may gather intelligence from prisoners and monitor them in coordination with the Intelligence Wing of the state police department. The state government will also ensure the integration of appropriate technology (including CCTV systems, and biometrics) to effectively manage, secure, and supervise prisons.

• **Healthcare**: All prisoners will have access to adequate and gender-responsive health care facilities. The government may transfer any prisoner with mental illness from the place of detention to a mental health establishment in the state, with permission from the Mental Health Review Board.

**Elections**

**Bill regulating the appointments of Election Commissioners passed by Parliament**

The Chief Election Commissioner and Other Election Commissioners (Appointment, Conditions of Service and Term of Office) Bill, 2023 was passed by Parliament in December 2023. It replaced the Election Commission (Conditions of Service of Election Commissioners and Transaction of Business) Act, 1991. As per the Constitution, the Chief Election Commissioner (CEC) and other Election Commissioners are appointed by the President.

The Bill specifies a procedure for appointing the CEC and other ECs. It adds that the President will make appointments upon the recommendation of a Selection Committee. Key features include:

• **Composition of Selection Committee**: The Selection Committee consists of: (i) the Prime Minister as Chairperson, (ii) the Leader of Opposition in Lok Sabha as member, and (iii) a Union Cabinet Minister nominated by the Prime Minister as member. If the Leader of Opposition has not been recognised, the leader of the single largest opposition party in Lok Sabha will assume the role.

• **Search Committee**: A Search Committee will prepare a panel of five persons for the consideration of the Selection Committee. The Search Committee will be headed by the Minister of Law and Justice, and have two Secretary-level members. The Selection Committee may consider candidates who have not been included in the panel prepared by the Search Committee.

• **Qualification of CEC and ECs**: Persons holding or having held posts equivalent to the rank of Secretary to the central government are eligible to be appointed as CEC and ECs. Such persons must have expertise in the management of elections.

• **Conditions of service**: The salary of the CEC will be equivalent to that of a Judge of the Supreme Court. Other conditions of service such as medical facilities allowances will be determined by the President through Rules.

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

**Supreme Court struck down the electoral bonds scheme**

In March 2024, a five-judge bench of the Supreme Court held the electoral bonds scheme to be unconstitutional. The scheme was introduced through the Finance Act, 2017. An electoral bond is an instrument that can be used to make donations to a political party. Any Indian citizen or a company is eligible to buy an electoral bond. These do not carry the name of the purchaser. Political parties are also not required to publicly disclose donations received via electoral bonds. The Finance Act, 2017 also amended the Companies Act, 2013 to remove the ceiling on the amount of contributions companies can make to political parties. It also removed the requirement for companies to disclose the name of the parties to which contributions have been made.

The Court examined two questions: (i) whether unlimited corporate funding to political parties was violative of free and fair elections, and (ii) whether the right of political parties to keep voluntary
The High-Level Committee (Chair: Former President Mr. Ram Nath Kovind) constituted by the central government submitted its report on simultaneous elections in March 2024. The committee was constituted in September 2023. Its terms of reference included examining feasibility and suggesting a framework for conducting elections to Lok Sabha, state assemblies, and local bodies at the same time. Key observations and recommendations of the Committee include:

- **Rationale for simultaneous elections**: The Committee recommended that simultaneous elections be held in the country. It observed that doing so will help reduce costs. Frequent elections create an atmosphere of uncertainty. Simultaneous elections will ensure stability and predictability in governance by minimising disruption and policy paralysis caused by enforcement of the Model Code of Conduct. It also noted that voter participation will increase. It cited a research paper which observed that simultaneous elections lead to higher economic growth, lower inflation, increased investments, and improved quality of government expenditure.

- **Implementation of simultaneous elections**: The Committee recommended a framework for holding simultaneous elections which will require Constitutional amendments. At the time of the next general election to Lok Sabha, all state assemblies and local bodies should be dissolved, irrespective of the remaining term as a one-time measure. This will synchronise all elections. The Committee recommended holding elections for Lok Sabha and all state assemblies at the same time, and that of local bodies within 100 days from these elections.

- **Currently, a legislature is elected for the term of five years. Hence, a hung legislature at any point of time could necessitate mid-term elections. This would render the legislature out of synchronisation for the next simultaneous election. To address this issue, the Committee recommended that in such cases, fresh elections should be held for a reduced term. The reduced term will be equivalent to the remaining period of the five-year cycle till the next simultaneous election. For example, if fresh elections to a state Assembly or Lok Sabha is held two years after the simultaneous election, its term will be only three years. This will synchronise all elections every five years.**

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

### Law and Justice

#### Bill to provide reservation to women in Lok Sabha and state assemblies passed

The Constitution (One Hundred and Twenty-Eighth Amendment) Bill, 2023 was passed in Parliament in September 2023. The Bill reserved one-third of all seats for women in Lok Sabha, state legislative assemblies, and the Legislative Assembly of the National Capital Territory of Delhi. Additionally, this reservation will also extend to the seats reserved for SCs and STs in Lok Sabha and state legislative assemblies. Key features are:

- **Commencement of reservation**: The reservation will be effective after a delimitation following the next census. It will be provided for a period of 15 years. However, it will continue till such date as determined by a law made by Parliament.

- **Rotation of seats**: Seats reserved for women will be rotated after each delimitation.

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

To extend reservation to women on similar lines in the Legislative Assemblies of J&K and Puducherry, Parliament passed two Bills in December 2023. For a PRS Summary of the Bills, see [here](#) and [here](#)

### Parliament passed the Jammu and Kashmir Reorganisation (Amendment) Bill, 2023


- **Number of seats in the Legislative Assembly**: The 2019 Act specified the total...
number of seats in the Jammu and Kashmir Legislative Assembly to be 83. It reserved six seats for Scheduled Castes. No seats were reserved for Scheduled Tribes. The Bill increased the total number of seats to 90. It also reserved seven seats for Scheduled Castes and nine seats for Scheduled Tribes. In addition, the Act allocates 24 seats to constituencies in Pakistani-occupied Jammu and Kashmir.

- **Nomination of Kashmiri migrants**: The Bill added that the Lieutenant Governor may nominate up to two members from the Kashmiri migrant community to the Legislative Assembly. One of the nominated members must be a woman.

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

**The Mediation Bill, 2021 passed by Parliament**

The Mediation Bill, 2021 was passed by Parliament in August 2023. Mediation is a form of alternative dispute resolution, where parties attempt to settle their dispute (outside courts) with the assistance of an independent third person (mediator). The Bill promotes mediation (including online mediation and community mediation), and provides for enforcement of settlement agreements resulting from mediation. The Bill was referred to the Standing Committee on Personnel, Public Grievances, Law and Justice. Key features include:

- **Disputes not fit for mediation**: The Bill applies to certain mediation proceedings conducted in India (for instance, if the mediation agreement states that mediation will be as per this Bill, or to international mediation related to a commercial dispute). The Bill defines certain disputes as not fit for mediation. These include disputes: (i) relating to claims against minors or persons of unsound mind, (ii) involving prosecution for criminal offences, and (iii) relating to levy or collection of taxes. The central government may amend this list of disputes.

- **Mediation process**: In case of civil or commercial disputes, a person must try to settle the dispute by mediation before approaching any court or certain tribunals as notified. Mediation proceedings will be confidential. The Standing Committee recommended reducing the mediation process from 180 days with another 180-day extension to 90 days with a 60-day extension. Under the Bill as passed, mediation process must be completed within 120 days, which may be extended by another 60 days by the parties.

- **Mediators**: Mediators assist the parties to settle their dispute. Mediators may be appointed by: (i) the parties by agreement, or (ii) a mediation service provider. Mediators must disclose any conflict of interest that may raise doubts on their independence. Parties may then choose to replace the mediator. Further, the Mediation Council of India will register mediators, and recognise mediation service providers.

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

**Supreme Court upheld the abrogation of Article 370 of the Constitution**

A five-judge Constitution Bench of the Supreme Court delivered its judgement on the abrogation of Article 370 of the Constitution in December 2023. The Article conferred a special status upon the erstwhile state of Jammu and Kashmir (J&K). It limited the power of Parliament to legislate on matters related to defence, external affairs, communications, and central elections for the erstwhile state of J&K. However, the President could extend laws passed by Parliament on other subjects with concurrence of the state government.

In August 2019, the Parliament adopted resolutions to repeal the provisions of Article 370 through Presidential Orders. It also passed a Bill reorganising the erstwhile state of J&K into: (i) the Union Territory of Jammu and Kashmir with a legislature, and (ii) the Union Territory of Ladakh without a legislature. These decisions were challenged in the Supreme Court.

The Supreme Court upheld the abrogation of Article 370. It held that: (i) the erstwhile state of J&K did not have any sovereignty, (ii) Article 370 was a temporary provision, (iii) the President had the power to declare that Article 370 ceases to operate without the recommendation of the Constituent Assembly (which was dissolved), (iv) Parliament can exercise the powers of the State Legislature for law making as well as non-law making purposes, and (v) the Constitution of J&K stands inoperative and has become redundant.

Considering the submission of the Solicitor General that the statehood of J&K will be restored, the Court stated that it was not necessary to rule on the constitutional validity of reorganising the state into two union territories. It directed the Election Commission to ensure that elections to the J&K legislative assembly are conducted by September 30, 2024. It added that the statehood of J&K be restored as soon as possible.
Supreme Court struck down immunity to legislators for accepting bribes for votes or speeches inside a legislature

The Constitution grants Members of Parliament (MPs) and Members of State Legislatures (MLAs/MLCs) immunity from criminal prosecution for their speeches and votes in the legislature (under Articles 105 and 194). In 1998, the Supreme Court heard a case of bribes given to MPs for a vote on a no-confidence motion in Parliament. It held that MPs who took a bribe to cast their vote in the House have immunity from criminal prosecution under Article 105(2). The reasoning was that the act of taking the bribe and casting the vote are related, and therefore, the immunity for the vote is extended to the bribe. The court further said that an MP who took a bribe but abstained from voting in the House does not enjoy such immunity.

In a separate case related to allegation of bribery on a MLA, a seven-judge bench of the Court analysed the 1998 judgement in March 2024. It overruled the 1998 judgement. It noted that the 1998 judgement creates a paradox where a legislator has immunity when he accepts a bribe and votes as agreed upon. However, a legislator who agrees to accept a bribe, but eventually votes independently is prosecuted.

The Supreme Court gave its verdict over the right to marriage for same-sex couples in October 2023. The question before the Court was whether the Special Marriage Act, 1954 violated the fundamental right to equality and liberty by not recognising marriage between queer couples. Queer is a term used for individuals who are not heterosexual. The Supreme Court rejected the plea for a queer couple’s right to marry. The five-judge Bench unanimously agreed that there is no fundamental right to marry and same-sex marriages cannot be read into the 1954 Act. It stated that the intention of Parliament was to provide heterosexual couples belonging to different faiths the option to marry under the 1954 Act. As marriage is a concurrent subject, the Court concluded that it is within the domain of Parliament and the State Legislatures to enact laws recognising same-sex marriage.

Further, in a 3:2 majority, the bench held that queer people cannot: (i) enter into civil unions and (ii) adopt children. The Bench unanimously agreed that transgender people in heterosexual relationships have the right to marry under the current legal framework. Additionally, the Bench called for setting up a high-powered Committee chaired by the Cabinet Secretary, to evaluate the entitlements and rights of queer persons.

Bill to amend the Advocates Act, 1961, passed by Parliament

The Advocates (Amendment) Bill, 2023, was passed by Parliament in December 2023. The Bill repealed certain sections related to touts under the Legal Practitioners Act, 1879 and incorporated them into the Advocates Act, 1961. The 1961 Act consolidates the law related to legal practitioners and constitutes Bar Councils and the All-India Bar. Key features of the Bill include:

- **Touts:** The Bill added that every High Court, district judge, sessions judge, district magistrate, and revenue officer (not below the rank of a district collector) may frame and publish lists of touts. Tout refers to a person who: (i) either proposes to procure or procures the employment of a legal practitioner in a legal business in return of any payment, or (iii) frequents places such as the precincts of civil or criminal courts, revenue-offices, or railway stations to procure such employment. The Court or judge may exclude from the premises of the Court any person whose name is included in the list of touts.

- **Preparation of lists:** The authorities empowered to frame and publish the list of touts may order subordinate courts to hold an inquiry into the conduct of persons alleged or suspected to be touts. Once such a person is proven to be a tout, his name may be included by the authority in the list of touts. No individual will be included in such lists without getting an opportunity of showing cause against his inclusion.

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

Cabinet approved continuation of scheme for Fast Track Special Courts

In November 2023, the Union Cabinet approved the continuation of the Centrally Sponsored Scheme for Fast Track Special Court (FTSCs) until March 2026. The scheme is projected to have a total outlay of Rs 1,952 crore with the central share being Rs 1,207 crore and the state share being Rs 745 crore. The central share will be funded from the Nirbhaya Fund.

FTSCs were implemented to provide dedicated court machinery to victims of sexual crimes. The
Scheme commenced in October 2019 and was extended until March 2023.\textsuperscript{187} Expected outcomes of the scheme include: (i) reduced burden of cases, (ii) significantly decreased pending cases of rape and offences under the Protection of Children from Sexual Offences Act, 2012, and (iii) prompt access to justice for victims of sexual crimes through expedited trials.

**Cabinet approved eCourts Phase-III**

The Union Cabinet approved Phase III of the eCourts Project as a central sector scheme from 2023 to 2027 in September 2023.\textsuperscript{188} The project will receive a financial outlay of Rs 7,210 crore. The eCourts project was initiated in 2007 to digitally enable the Indian judiciary. Phase-II of the scheme concluded in 2023. Phase-I of the scheme led to the computerisation of a large number of district courts.\textsuperscript{189} Further, Phase-II of the scheme aimed to provide service delivery to citizens, such as websites in local languages. Phase-III aims to create a unified technology platform for the judiciary along with facilitating a paperless interface between the courts, litigants, and other stakeholders. The objective of Phase-III is to digitise entire courts records. Approximately 28% of the budgetary outlay is estimated to be spent on scanning, digitisation, and digital preservation of case records, while about 17% is estimated to be spent on cloud infrastructure. The expected outcomes of the scheme include: (i) providing judicial services to citizens without technology access via eSewa Kendras, (ii) enabling payment of courts fees and fines from anywhere, and (iii) reducing reliance on paper-based filings.

### Defence

**Parliament passed the Inter-services Organisations Bill, 2023**

In August 2023, Parliament passed the Inter-services Organisations (Command, Control and Discipline) Bill, 2023.\textsuperscript{190} It empowers the Commander-in-Chief or Officer-in-Charge of Inter-services Organisations to exercise disciplinary or administrative control over the personnel serving in or under their command, irrespective of their service. The Bill was referred to the Standing Committee on Defence which submitted its report in July 2023.\textsuperscript{191} The Standing Committee agreed with the provisions of the Bill. Key features of the Bill include:

- **Inter-services Organisation**: Existing Inter-services Organisations are 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-Charge. These organisations may also include a Joint Services Command, which may be placed under command of a Commander-in-Chief.

- **Control of Inter-services Organisations**: The Commander-in-Chief or Officer-in-Charge of Inter-services Organisations were not empowered to exercise disciplinary or administrative powers over the personnel belonging to other services. The Bill empowered the Commander-in-Chief or the Officer-in-Charge 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 discharge of duties by 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](#).

### External Affairs

**G20 summit concluded**

The G20 leaders’ summit was held in New Delhi in September 2023.\textsuperscript{192} At the summit, the G20 countries adopted a declaration. Key features of the declaration include:

- **Balanced and inclusive growth**: The declaration stated that global economic growth is uneven and below its long-run average. Some of the risks to global growth include tightening financial conditions, persistent inflation, and geo-economic tensions. The countries decided to prioritise temporary and targeted fiscal measures to protect the poor. They noted that central banks remained committed to achieve price stability as per their respective mandates.

- **Green development**: The countries committed to accelerate actions to address climate change. They noted a need of USD 5.8-5.9 trillion in the pre-2030 period for developing countries to implement their nationally determined contributions (NDCs). NDCs are the long-term climate action goals and achievements submitted by countries every
five years, as a part of the Paris Agreement. A further USD 4 trillion per year will be needed for clean energy technologies to achieve net zero emissions by 2050. The declaration urged countries to align their NDCs with the targets set under the Paris Agreement, that have not already done so.

- **Digital Public Infrastructure:** The declaration focused on creating a framework for Digital Public Infrastructure (DPI). DPI is a set of shared digital systems that can be used by public and private sectors for delivery of societal-scale services. A Global DPI Repository was proposed to be built and shared by countries.

- **Multilateral institutions:** The need for an international development finance system that can withstand the shocks facing developing countries was highlighted. Stronger multilateral development banks were seen to be important to mobilise financing for development. The declaration stated that representation of developing countries should be enhanced in the decision-making of global economic and financial institutions.

- **Gender Equality:** The declaration committed to: (i) reduce gap in labour force participation and close gender pay gap, (ii) ensure equal access to quality education to women, (iii) eliminate gender-based violence, (iv) address gender barriers in accessing digital technologies, and (v) take measures to secure women’s food security and nutrition.

**Agreement on India-Middle East-Europe Economic Corridor signed**

An agreement was signed by various countries including Saudi Arabia, India, France, and USA in September 2023 to establish the India- Middle East- Europe Economic Corridor (IMEC).\(^1\)\(^9\)\(^3\)\(^,\)\(^9\)\(^4\) The IMEC is expected to enhance economic development between Asia, the Arabian Gulf and Europe by improving connectivity. Key highlights of the agreement include:

- **Economic Corridors:** The IMEC will consist of: (i) the east corridor connecting India to the Arabian Gulf, and (ii) the northern corridor connecting the Arabian Gulf to Europe. It will include a railway network to provide a cost effective, cross-border ship to rail transit system. This will allow goods and services to transit between India, UAE, Saudi Arabia, Jordan, Israel, and Europe.

- **Infrastructure development:** Along the railway route, cables for electricity and digital connectivity will be laid. Pipeline for clean hydrogen export will also be installed along the route. These infrastructure investments aim to secure regional supply chains and facilitate trade.

- **In February 2024, an Inter-Governmental Framework Agreement (IGFA) was signed between India and the UAE for the operation of IMEC.**\(^1\)\(^9\)\(^5\)
Parliament passed Bill to alter the governance structure of IIMs

In July 2023, Parliament passed the Indian Institutes of Management (Amendment) Bill, 2023.196 The Bill amended the Indian Institutes of Management Act, 2017.197 The Act declares Indian Institutes of Management (IIMs) as institutes of national importance and regulates their functioning. IIMs provide post-graduate education in the field of management and allied areas. Key features of the Bill include:

- **Visitor**: The Bill designates the President of India as Visitor of every Institute covered by the Act. The Visitor is granted powers that include: (i) initiating inquiries into the functioning of IIMs, (ii) taking action against Institutes to ensure compliance, and (iii) appointing the Chairperson of the Coordination Forum.

- **Appointment and removal of IIM Directors**: Under the Act, the Director of an IIM was appointed by the Board of Governors, based on the recommendations of a Search-cum-Selection Committee. The Bill mandates the Board to obtain the prior approval of the Visitor before appointing an Institute Director. According to IIM (Amendment) Rules, 2023, the Board will send three names to the Visitor, which are recommended by the Search-cum-Selection committee. The Visitor will nominate one name and send it to the Board for appointment.198 Under the Act, the Search Committee comprised the Chairperson of the Board, and three members from amongst eminent administrators, industrialists, educationists. The Bill reduced these three members to two, and adds another member to be nominated by the Visitor.

- **Under the Act**, the Board could remove the Director from office on grounds such as: (i) insolvency, (ii) mental and physical incapacity, or (iii) conflict of interest. The Bill adds that the Board will require prior approval of the Visitor before removing a Director. The Bill also grants the Visitor the authority to terminate the services of the Director, as may be prescribed.

- **Appointment of the Chairperson of the Board of Governors**: Under the Act, the Chairperson of the Board of Governors of each Institute was appointed by the board. The Bill amends this to provide that the Chairperson of the Board will be nominated by the Visitor.

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Parliament passed Bill prohibiting the use of unfair means in public examinations

The Public Examinations (Prevention of Unfair Means) Bill, 2024 was passed by Parliament, in February 2024.199 The Bill prevents the use of unfair means in public examinations. Public examinations refer to examinations conducted by authorities specified under the Schedule to the Bill, or notified by the central government. These include the: (i) Union Public Service Commission, (ii) Staff Selection Commission, (iii) Railway Recruitment Board, (iv) National Testing Agency, (v) Institute of Banking Personnel Selection, and (vi) Departments of the central government and their attached offices for recruitment. Key features of the Bill include:

- **Offences in relation to public examinations**: The Bill defined several offences in relation to public examinations. It prohibits collusion or conspiracy to facilitate indulgence in any unfair means. It specified unfair means to include: (i) unauthorised access or leakage of question paper or answer key, (ii) assisting a candidate during a public examination, (iii) tampering with computer network or resources, (iv) tampering with documents for shortlisting or finalising of merit list or rank, and (v) conducting fake examinations, issuing fake admit cards or offer letters to cheat, for monetary gain. It also prohibits: (i) disclosing exam-related confidential information before time, and (ii) unauthorised people from entering exam centres to create disruptions. Such offences will be punishable with imprisonment between three and five years, and a fine up to Rs 10 lakh.

- **Responsibilities of service providers**: In the event of violation of provisions of the Bill, service providers must report to the police and the concerned examination authority. A service provider is an organisation that provides computer resources or any other support to a public examination authority. Failure to report such incidents will be an offence. In case the service provider themselves commit an offence; the examination authority must report it to the police. An offence by a service provider will be punishable with a fine of up to one crore rupees. Proportionate cost of examination will also be recovered from the service provider.
Further, they will also be barred from conducting public examinations for four years.

For a PRS summary of the Bill, see here.

Parliament passed Bill to establish a Central University in Telangana

The Central Universities (Amendment) Bill, 2023 was passed by Parliament in December 2023.209 The Bill amended the Central Universities Act, 2009, which establishes central universities for teaching and research in various states.210

Central Tribal University in Telangana: The Bill established a Central Tribal University in Telangana. It is named the ‘Sammakka Sarakka Central Tribal University’. Its territorial jurisdiction will extend to Telangana. It will provide avenues of higher education and research facilities primarily for the tribal population of India. Note that the Andhra Pradesh Reorganisation Act, 2014 provides that the central government will establish a Tribal University in the state of Telangana.

For a PRS summary of the Bill, see here.

New National Curriculum Framework for Education released

The Ministry of Education released the National Curriculum Framework for School Education (NCF), 2023, in August 2023.202,203 It aims to provide the guiding principles, goals, structure, and elements for the development of school curricula. It replaces the National Curriculum Framework, 2005.204 It has been formulated in pursuance of the objectives of the National Education Policy (NEP).205 The NCF envisioned changes in school education, which included: (i) a schooling system divided across four stages, (ii) multidisciplinary education, (iii) multilingualism, and (iv) flexibility in subject selection. Key features include:

- **5+3+3+4 stage design:** The NEP recommended substituting the existing design of the school system (10+2) with a design that is distributed across four stages. The proposed design involved – (i) a foundational stage (ages 3-8), (ii) a preparatory stage (ages 8-11), (iii) a middle stage (ages 11-14), and (iv) a secondary stage (ages 14-18). The NEP further proposed dividing the secondary stage into two phases — grades 9 and 10, and grades 11 and 12. The NCF, 2023 incorporates this design. It provides each stage with a different combination of disciplines and specific learning objectives. For example, the foundational stage aims to develop physical, cognitive, and language abilities. In this stage, students will learn two languages, and develop foundational numeracy.

- **Language education:** The NEP aims to develop a student into an independent speaker, writer, and reader in three languages. The NCF incorporates this aim and delineates goals for language proficiency. The first language a student studies would be that of the community in which that student lives. The NCF necessitates that two out of the three languages taught must be Indian.

- **Multidisciplinary education:** NCF requires students in grades 11 and 12 to study six subjects. Two of these will be languages, of which, one must be Indian. Apart from these, the student may choose any four subjects from three groups. Each group contains subjects from similar domains. For instance, science, mathematics and computational thinking are grouped together.

Guidelines for equitable and inclusive education, released

The Ministry of Education released the ‘Guidelines and Implementation Framework for Equitable and Inclusive Education’, in October 2023.206 These Guidelines are based on recommendations of the National Education Policy (NEP), 2020. Under the NEP, recommendations for achieving equitable and inclusive education include: (i) ensuring universal access to early childhood care and education, (ii) improving children’s health and nutrition through community involvement in the schooling system, and (iii) curtailing dropout rates by offering open and distance learning programmes. The Guidelines are aimed at private schools, home based education, open system of schooling and alternative forms of schooling. Key recommendations of the Guidelines include:

- **Early Childhood Care and Education (ECCE):** The NEP outlines that ECCE will be delivered through anganwadis, pre-schools, and the first and second grades of primary school. The Guidelines recommend: (i) early identification and intervention for children with disabilities, (ii) imparting foundational literacy and numeracy through local languages, signs, play-based activities, and (iii) introducing ECCE programmes in alternative forms of schooling, especially in tribal areas. To implement these recommendations, the Guidelines suggest sensitising and training teachers and anganwadi workers through certified ECCE courses.

- **Creating inclusive schools:** Schools are recommended to ensure the inclusion of all children by: (i) making the curriculum flexible and socially accommodative, (ii) using oral, auditory and tactile aids in teaching, (iii) not rejecting children due to lack of resources, and (iv) providing access to speech therapists and
The UGC (Institutions deemed to be Universities) Regulations, 2023 notified

In June 2023, the University Grants Commission (UGC) released the UGC (Institutions deemed to be Universities) Regulations, 2023. These regulations provide for establishing educational institutions as deemed to be universities under the University Grants Commission Act, 1956, The 2023 Regulations supersede the UGC (Institutions deemed to be Universities) Regulations, 2019. Key features of the 2023 Regulations include:

- **Eligibility criteria:** To be deemed to be a university, the institution must meet certain eligibility criteria. These include having: (i) at least five departments, (ii) accreditation from the National Assessment and Accreditation Council (NAAC), (iii) a student-teacher ratio equal to or below 20:1, and (iv) a top 50 rank in the National Institute Ranking Framework (NIRF) in at least one subject. These criteria will not apply to certain institutions classified as 'distinctive category' institutions. These are institutions which fulfil other criteria, such as addressing strategic needs or preserving Indian cultural heritage. The 2023 Regulations also allow cluster institutions to be deemed to be a university. These are groups of institutions that have at least five departments.

- **Systems of governance:** Institutions deemed to be universities must be governed by an apex body, the Executive Council. This will consist of: (i) the Vice-Chancellor (VC), (ii) two Deans of Faculties, (iii) two teachers other than the Deans, (iv) up to four nominees of the sponsoring body, and (v) a UGC or state government or central government representative. The Council’s powers include: (i) creating and making appointments to academic posts, (ii) making rules, and (iii) enforcing rules against employees.

The institution will also have an Academic Council which will supervise and make rules regarding academic matters such as admissions and examinations. It can also make recommendations regarding the creation and abolition of departments, and teaching posts. Other powers include prescribing courses for degrees or diplomas. Its members include the VC, Deans of faculties, up to 20 teachers, and six experts.

- **Admission:** Admission must be based on an entrance exam or a manner specified in the institution’s prospectus. The entrance exams must be conducted by the institution or a Government Testing Agency. Institutions must have reservation policies as per the Constitution of India and central laws.

UGC notifies regulations on campuses of foreign higher educational institutes in India

The University Grants Commission (UGC) notified the “UGC (Setting up and Operation of Foreign Higher Educational Institutions in India) Regulations, 2023”, in November 2023. These regulations apply to foreign Higher Educational Institutions (HEIs) that seek to establish a campus in India to offer courses. Foreign HEIs include those institutions that are authorised by the country of their origin to offer academic programmes at the undergraduate level and above. Key features include the following:

- **Eligibility:** To establish a campus in India, a foreign HEI must be: (i) ranked within the top 500 global rankings at the time of application, (ii) ranked within the top 500 in the subject-wise category of global rankings, or (iii) have expertise in a particular subject area.

- **Procedure for approval:** To start a campus in India, prior approval of UGC will be required. The institution must provide the following information along with the application: (i) permission from the Governing Body to establish campuses in India, (ii) details about the proposed location, infrastructural facilities, and fee structure, (iii) latest accreditation or quality assurance report from a recognised body, and (iv) approach to ensure consistency in the quality of education and recognition of qualifications between the main campus and the Indian campus. The UGC will constitute a Standing Committee to assess each application. The Committee will make recommendations to the UGC within 60 days of receiving the application. The UGC will grant its approval (with or without conditions) within 60 days of receiving the recommendations.

- **Admission and fees:** A foreign HEI can decide its own fee structure, which must be transparent and reasonable. They are required to make their prospectus available on their website 60 days before the commencement of
admission. The prospectus should include details such as the fee structure, refund policy, and the number of seats in a programme. Foreign HEIs may also offer: (i) merit-based or need-based scholarships, or (ii) concessions to Indian students.

- **Appointment of faculty:** A foreign HEI may decide the qualifications, pay and other conditions of service for its faculty and staff. However, the qualifications of the appointed faculty and curricula must be on par with those in the main campus in the country of origin.

- **Online mode/distance learning:** Foreign HEIs cannot offer their programmes through Open Distance Learning modes. However, up to 10% of lectures may be offered online.

**UGC amends the minimum criteria for direct recruitment to the post of Assistant Professor**

The University Grants Commission (UGC) released new Regulations for minimum qualifications for appointment of Assistant Professors in Higher Education Institutions, in July 2023. These superseded the 2018 Regulations. Earlier, appointees required a P.h.D degree as the minimum qualification to be eligible for recruitment as an Assistant Professor. Now, if candidates do not have a P.h.D degree, they may be appointed if they pass the NET/SET/SLET exam conducted by UGC, the Council for Industrial and Technology Promotion (CIP), the National Board for Higher Mathematics (NBHM) and the National Board for Higher Mathematics (NBHM). The regulations also require the Council for Scientific and Industrial Research to issue a list of bodies accredited by UGC.

**Guidelines for the regulation of coaching centers released**

The Ministry of Education released ‘Guidelines for Regulation of Coaching Centres’, in January 2024. A coaching centre is defined as an institution that imparts academic guidance to over 50 students for competitive exams or an academic programme. The Guidelines delineate standards of teaching and infrastructure to be maintained by coaching centres and provide conditions for registration and conduct. These Guidelines have been sent to state governments for consideration. Key features of the Guidelines include:

- **Registration:** Coaching centres are required to be registered with the competent authority. The competent authority is an officer notified by the state government. Every branch of a coaching centre is treated as a separate establishment, and requires a separate application for registration. A certificate of registration has a period of validity as decided by the authority. The registration must be renewed at least two months before its expiry.

- **Conditions for registration:** To be eligible for registration, a coaching centre must meet certain conditions. These include: (i) hiring tutors who are at least graduates, and not convicted of an offence, (ii) not enrolling students who are yet to pass secondary exams (Class 10), and (iii) not making misleading promises of a good rank. An undertaking stating compliance with these conditions must be submitted during registration.

- **Fees:** Fees charged for each course must be fair and should not be raised in its duration. Any fees paid in full will have to be refunded on a proportionate basis if the student leaves the course in the middle. All information regarding fees, facilities and lectures must be given to prospective students/parents for free. It must also be prominently displayed in the centre’s premises.

- **Classes:** Coaching centres are required to provide a weekly-off to students, along with leaves during popular festivals in the region. Classes should not be conducted for more than five hours a day and must not clash with school/college hours of relevant students.

- **Infrastructure:** Coaching classes must possess a minimum space of one square meter per student per batch. The premises should be fully electrified and well ventilated. Facilities such as drinking water and first-aid kits must be available.

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**Science and Technology**

**The Anusandhan National Research Foundation Bill, 2023 passed**

The Anusandhan National Research Foundation Bill, 2023 was passed in August 2023. It repealed the Science and Engineering Research Board Act, 2008 and dissolves the Science and Engineering Research Board set up under it. The Bill provides for establishing the Anusandhan National Research Foundation (NRF).

- **Functions of NRF:** NRF will be the apex body in the country to provide strategic direction for research, innovation, and entrepreneurship in the fields of: (i) natural sciences including mathematics, (ii) engineering and technology, (iii) environmental and earth sciences, (iv) health and agriculture, and (v) scientific and technological interfaces of humanities and social sciences.

- **Key functions of NRF include:** (i) preparing short-term, medium-term, and long-term roadmaps and formulating programs for
research and development (R&D), (ii) facilitating and financing the growth of R&D and related infrastructure in universities, colleges, and research institutions, (iii) providing grants for research proposals, (iv) supporting translation of research into capital intensive technology, (v) encouraging international collaboration, (vi) encouraging investments in the Foundation by private and public sector entities, and (vii) undertaking annual survey of scientific research, outcomes, and spending.

▪ **Governing Board:** NRF has a Governing Board headed by the Prime Minister of India. The Board provides strategic direction to the Foundation and monitors the implementation. Other members of the Board are: (i) the Union Ministers of Science and Technology, Education as Vice Presidents, (ii) the Principal Scientific Advisor as Member Secretary, and (iii) Secretaries to the Departments of Science and Technology, Biotechnology, and Scientific and Industrial Research.

▪ The Principal Scientific Advisor will be the chairperson of the Council. Other members of the Council include: (i) secretaries to various departments of the central government including Science and Technology, Higher Education, Health Research, Agricultural Research, and Defence Research, and (ii) the Chief Executive Officer of the Foundation. The President of the Foundation may nominate or appoint to the Council: (i) up to two secretaries of departments not covered under the Bill, and (ii) up to three experts.

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

**Cabinet approved the National Quantum Mission**

The Union Cabinet approved the National Quantum Mission in April 2023. The mission aims to accelerate research and development in quantum computing technology in India. Computers based on this technology can perform certain calculations much faster than conventional computers. The Mission provides support for: (i) development of quantum computers, (ii) development of communication and navigation services leveraging quantum computing technology, and (iii) design and synthesis of materials for quantum computers. Four thematic hubs will be set up in national R&D institutes to focus on quantum computing technologies. The total outlay on the Mission is expected to be Rs 6,003 crore over eight years, i.e., between 2023-24 and 2030-31.

**DBT Intellectual Property guidelines released**

In September 2023, the Ministry of Science and Technology released the Department of Biotechnology Intellectual Property (DBT IP) Guidelines 2023. The guidelines provide for ownership, transfer, and commercialising of IP from DBT funded research. Key highlights of the guidelines include:

▪ **Transfer of IP:** The mode of IP transfer should be decided by scientists based on their institutional committees with external experts. The Committee may review IP filing, granted status, and transfer and licensing. Accumulation of IP for long periods without transfer or licensing should be avoided.

▪ **Forms of licensing:** The capacity to convert research ideas into technology and products lies in the industrial and start up sector. IPs developed with DBT grants are transferrable to industries only on non-exclusive basis. This implies that the same IP can be provided to other interested industries. This deters product development as industries are not willing to invest in technologies which may also be provided to others. Experts and government officials recommended that options for all forms of licensing should be available while granting IP.

▪ **IP ownership:** Investigators and host institutions must report research outcomes from their DBT funded research. These would include both publications and IPs granted. IP obtained through external grants to DBT and other institutions may be owned by the institutions. They can also be commercialised using specified principles.

▪ **Principles for IP commercialisation:** A few outlined principles include: (i) licensing mechanisms should be decided on a case-by-case basis by institutional IP committees and informed to the government, and (ii) exclusive licences should include clauses on availability of final product at affordable rates in the Indian market. In case of exclusive licences: (i) preference should be given to Biotech SMEs and manufacturing in India, and (ii) government will retain certain rights to practice or to require the licensee to grant sublicences when needed to fulfil health or security needs.
Food and Public Distribution

Foodgrain entitlement under NFSA to be provided for free for five years

In November 2023, the Union Cabinet approved a scheme to provide foodgrain entitlement under NFSA free of cost.\(^2\) The scheme is called Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY). NFSA refers to the National Food Security Act, 2013. Under NFSA, beneficiaries could purchase foodgrain at subsidised prices of three rupees per kg for rice, two rupees per kg for wheat and one rupee per kg for coarse grains.\(^2\)

The total food subsidy under Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) is expected to cost the central government Rs 11.8 lakh crore over the five-year period.

In March 2020, PMGKAY was introduced to provide NFSA beneficiaries with additional five kg of foodgrain above their monthly entitlements.\(^2\) As of April 2024, the additional allocation has been discontinued, and existing NFSA entitlements are being provided free of cost.\(^2,2\)

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

The National Nursing and Midwifery Commission Bill, 2023 passed

The National Nursing and Midwifery Commission Bill, 2023 was passed by Parliament in July 2023.\(^2\) It repealed the Indian Nursing Council Act, 1947.\(^2\) The Bill provides for the regulation and maintenance of standards of education and services for nursing and midwifery professionals. Key features include:

- **National Nursing and Midwifery Commission**: The Bill provided for the constitution of the National Nursing and Midwifery Commission. It will consist of 29 members. The Chairperson should have a postgraduate degree in nursing and midwifery with at least 20 years of field experience. Ex-officio members include representatives from the Department of Health and Family Welfare, the National Medical Commission, Military Nursing Services, and the Directorate General of Health Services. Other members include nursing and midwifery professionals, and one representative from charitable institutions.

- **Functions of Commission**: Functions of the Commission include: (i) framing policies and regulating standards for nursing and midwifery education, (ii) regulating nursing and midwifery institutions, (iii) providing a uniform process for admission, and (iv) providing standards for faculty in teaching institutions.

- **Autonomous boards**: The Bill provides for the constitution of three autonomous boards under the supervision of the National Commission. These are: (i) the Nursing and Midwifery Undergraduate and Postgraduate Education Assessment and Rating Board responsible for determining compliance assessment procedure for dental institutions, and conducting inspections and ratings, and (iii) the Ethics and Dental Registration Board – responsible for maintaining online national registers of dentists/dental auxiliaries, suspending/cancelling licences, and regulating standards of conduct.

Health

Parliament passed Bill to regulate dentistry and dental education in India

The National Dental Commission Bill, 2023 was passed by Parliament in July 2023.\(^2\) The Bill repealed the Dentists Act, 1948. It provides for constituting: (i) the National Dental Commission, (ii) the Dental Advisory Council, and (iii) three autonomous Boards for regulating dental education and standards of dentistry. Key features include:

- **National Dental Commission**: The central government is required to constitute a National Dental Commission consisting of 33 members. It will be chaired by an eminent and experienced dentist. The Chairperson will be appointed by the central government, upon the recommendation of a search-cum-selection committee. The Search Committee will be chaired by the Cabinet Secretary. Ex-officio members of the Commission include: (i) Presidents of the three autonomous Boards, (ii) the Director General of Health Services, (iii) Chief of the Centre for Dental and Educational Research, AIIMS. Part time members of the Commission include: (i) faculties of dentistry from government institutes and (ii) representatives of states and union territories.

- **Functions of the Commission** include: (i) regulating governance standards for dental education, examination, and training, (ii) regulating dental institutions and research, (iii) assessing infrastructure requirements in dental healthcare, and (iv) ensuring that admissions to Bachelor of Dental Surgery happen through the National Eligibility-cum-Entrance Test.
Board, to regulate education and examination at undergraduate and postgraduate levels; (ii) the Nursing and Midwifery Assessment and Rating Board, to provide the framework for assessing and rating nursing and midwifery institutions; and (iii) the Nursing and Midwifery Ethics and Registration Board, to regulate professional conduct and promote ethics in the profession.

For a PRS Bill Summary, please see here.

Parliament passed the Pharmacy (Amendment) Bill, 2023

The Pharmacy (Amendment) Bill, 2023 was passed by Parliament in August 2023. The Bill amended the Pharmacy Act, 1948, which regulates the practice and profession of pharmacy. Registration under the Pharmacy Act, 1948 is mandatory to practice pharmacy in India. The Bill specified that anyone who is registered as a pharmacist under the Jammu and Kashmir Pharmacy Act, 2011 or possesses suitable qualifications delineated in the same will be deemed to be registered as a pharmacist under the Pharmacy Act, 1948. This is contingent upon the person submitting an application for registration within a year of the amendment coming into force, and paying a prescribed fee.

For a PRS Summary of the Bill, see here.

Cabinet approved the National Medical Devices Policy, 2023

The Union Cabinet approved the National Medical Devices Policy, 2023 in April 2023. As per the Drugs and Cosmetics Act, 1940, medical devices include devices used in the treatment, diagnosis, and prevention of disease. The 2023 Policy set a goal for India to achieve a 10-12% share of the global market for medical devices, increase the size of the sector from USD 11 billion to USD 50 billion by 2030, and frames strategies to achieve this target. Key features of this Policy include:

- **Regulatory streamlining:** This includes measures such as single window clearance for licensing of medical devices and revising pricing regulations.

- **Investment:** Private investment in the sector will be increased through schemes such as Make in India and Start-up Mission.

- **Infrastructure:** The Policy proposes the establishment and strengthening of industrial parks which develop and produce medical devices. These will receive logistical connectivity and support under the National Logistics Policy, 2021.

- **Human resource development:** The Policy proposes to increase the strength of skilled workforce in this sector through the involvement of the Ministry of Skill Development and Entrepreneurship. The Policy also aims to support the implementation of courses in educational institutions focusing on the development of medical devices.

- **Brand positioning and awareness:** An Export Promotion Council under Ministry of Chemicals and Fertilizers will study best practices in production and skill development.

Committee for reforms in pricing framework of drugs and medical devices constituted

In March 2024, the Department of Pharmaceuticals constituted a committee for reforms in the pricing framework for drugs and medical devices. The Committee has three core members. These are the Secretary and Senior Economic Advisor of the Department of Pharmaceuticals, and the Chairman of the National Pharmaceutical Pricing Authority (NPPA). The Secretary General of the Indian Pharmaceutical Alliance, and the Chief Executive Officer of the Indian Drugs Manufacturer’s Association are special invitees to the Committee.

Terms of reference of the Committee include: (i) institutional reforms in the NPPA, (ii) designing a price moderation framework for medical devices and emerging therapies, and (iii) balancing price and availability of essential medicines. It will also draft a New Drugs and Medical Devices (Control) Order to give effect to its recommendations. The Committee will submit its report in three months.

Assisted Reproductive Technology Regulations notified

In April, 2023, Assisted Reproductive Technology (ART) Regulations, 2023 were notified. These regulations have been issued under the Assisted Reproductive Technology (Regulation) Act, 2021. The Act regulates ART services. These are 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 embryo into a woman’s reproductive system. Examples include IVF.

The 2023 Regulations specified that the oocyte must be retrieved from the donor with their consent. Moreover, clinic must take efforts to not retrieve more than seven oocytes during one treatment cycle. They must also not transfer more than three embryos into a uterus in one cycle.

Surrogacy Regulations notified and Rules Amended

Surrogacy Regulations 2023 were notified and the Surrogacy (Regulation) Rules, 2022 were amended.
The Surrogacy (Regulation) Act, 2021 regulates the practice of surrogacy in India. Surrogacy is defined as a practice where a woman bears and gives birth to a child for an intending couple/woman and agrees to hand over the child to them after the birth. An intending couple is one that has a medical indication necessitating surrogacy. An intending woman (Indian citizen, and a widow or divorcee between the ages of 35 to 45 years) may also avail surrogacy.

Surrogacy regulations notified

Surrogacy Regulations were notified in April 2023. Under the Act, state and central governments must appoint authorities responsible for issuing an intending woman or couple with a certificate of eligibility for surrogacy, based on prescribed medical conditions. Under the Surrogacy Regulations, 2023, these authorities may also identify medical conditions other than those specified in the Act as being potentially eligible for surrogacy, and refer these to the National Board for approval. The Regulations also specified procedural details, such as quorum and meeting schedules, for the National Board and state boards, which review authorities and monitor the implementation of the Act.

Couple of Indian origin defined

In June, 2023, The Ministry of Health and Family Welfare notified amendments to the Surrogacy (Regulation) Rules, 2022. The Act provides that surrogacy will be available to only those couples who have a medical condition which makes them dependent on surrogacy for becoming parents. It also provides that a couple of Indian origin or a woman willing to avail surrogacy must obtain a recommendation from the National Assisted Reproductive Technology Board to be eligible for surrogacy. Both the concerned Act and existing Rules did not define a “couple of Indian origin”. The 2023 amendment defined a couple of Indian origin to be a couple where both the husband and the wife are the holders of Overseas Citizens of India card.

Intending couple allowed to use donor gametes

The Ministry of Health and Family Welfare notified the Surrogacy (Regulation) Amendment Rules, 2024, in February 2024. These amended the Surrogacy (Regulation) Rules, 2022, issued under the Surrogacy (Regulation) Act, 2021. The 2022 Rules prohibited the use of donor gametes for surrogacy (male gametes are sperm; female gametes are eggs or oocytes). A single woman (widow/divorced) must use her own eggs to avail surrogacy. In October 2023, the Supreme Court permitted using donor eggs when the woman is unable to produce her own eggs.

The 2024 amendment allowed donor gametes to be used in surrogacy under certain conditions. It stated that permission for donor gametes will only be granted if: (i) either the intending husband or wife has a medical condition necessitating surrogacy, and (ii) the child born through surrogacy has at least one gamete from the intending couple. The medical condition will be certified by the District Medical Board. The condition for single women was unchanged.

Quad Health Security Partnership announced

The 2023 Quad Leaders’ Summit issued a joint statement launching the Quad Health Security Partnership in May 2023. The Quad is a diplomatic network of the four countries committed to supporting an open, stable, and prosperous Indo-Pacific. It consists of India, USA, Japan, and Australia. The Quad Leaders’ Summit is attended by heads of government. The new partnership is an expansion of the Quad Vaccine Partnership, launched in 2021. The vaccine partnership plans to implement activities to build the region’s capacity to detect and respond to outbreaks of epidemic diseases. These activities include: (i) disease surveillance, (ii) coordination of outbreak response, and (iii) developing and supporting the health workforce.

Accessibility standards for healthcare facilities notified

The Ministry of Health and Family Welfare notified accessibility standards for hospitals and other healthcare institutions in April 2023. The standards were framed under the Rights of Persons with Disabilities, Act, 2016. Key features of the standards are the following:

- **Outpatient facilities**: The standards specify requirements for facilities used for outpatient services. For example, forms should be made easily available for patients with hearing disabilities to request aid in communication, such as a sign language interpreter.

- **Inpatient facilities**: The standards prescribe requirements for hospital wards, bathrooms, and other inpatient facilities. For example, they prescribe requirements for the height adjustability of beds in hospital wards. Evacuation facilities for emergencies should be capable of accommodating patients with all disabilities, including features such as
wheelchair ramps and large signage. Bathrooms in hospital wards should be wheelchair accessible, and equipped with grab bars for taps and faucets.

- **Medical equipment:** The standards also specify features necessary to make equipment more accessible to patients. For example, patient examination rooms must allow clearance for wheelchairs, and other features such as grab bars for support. Floor lifts should be available to help in moving and examining patients with locomotor disabilities. Radiological diagnostic equipment such as MRI machines should provide clear visual and audio signals to patients.

**Amendments to Cigarettes and Other Tobacco Products Rules, 2004 notified**

The Ministry of Health and Family Welfare notified amendments to the Cigarettes and Other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Rules, 2004.247,248 The 2004 Rules regulate the sale, production, and advertisement of tobacco products. For example, they prohibit: (i) the advertisement of tobacco products, and (ii) the sale of tobacco products within 100 yards of an educational institution or to a minor.248,249

The 2023 amendments require that anti-tobacco advertisements be displayed with online curated content that features the use of tobacco products.247 Online curated content refers to any curated audio-visual content made available on demand via a computer resource, such as OTT content. Anti-tobacco advertisements of at least 30 seconds in duration must be displayed at the beginning and in the middle of any programme. Audio-visual disclaimers of the ill-effects of tobacco consumption must also be displayed at the beginning and in the middle of online content.

Any tobacco use depicted in online content must be accompanied by a static anti-tobacco warning at the bottom of the screen. The content of such warnings will be provided by the Ministry of Health and Family Welfare. Publishers of online content failing to comply with this requirement will be issued a notice to show cause by an inter-ministerial committee. This committee will consist of representatives of (i) the Ministry of Health and Family Welfare, (ii) the Ministry of Information and Broadcasting, and (iii) The Ministry of Electronics and Information Technology.

**Environment**

**Forest Conservation Act amended**

Parliament passed the Forest (Conservation) Amendment Bill, 2023 in August 2023.250 It amended the Forest (Conservation) Act, 1980 which protects forest land from non-forest use.251 The Bill defines forest land, and exempts certain categories of land from the purview of the Act. The Bill also permits running zoos, safaris, and eco-tourism facilities inside forests. The Bill was examined by a Joint Parliamentary Committee, which submitted its report in July 2023.252 The Committee endorsed all amendments proposed in the Bill. Five members of the Committee submitted dissent notes highlighting biodiversity loss. Key highlights of the Bill are:

- **Restictions on activities in forests:** Under the Act, prior approval from the central government is required for using forest land for non-forest purposes. The Act exempts certain activities from being considered non-forest purposes, i.e., these activities will not require central government approval. The Bill expands this exemption to also include: (i) zoos and safaris in forest areas other than protected areas, (ii) eco-tourism facilities, (iii) silvicultural operations (enhancing forest growth), and (iv) any other purpose specified by the central government. The central government may also specify terms and conditions to exclude any survey (such as exploration activity, seismic survey) from being classified as non-forest purpose.

- **Land under the purview of the Act:** As per the Bill, protections under the Act will apply to two types of land: (i) land notified as a forest under any law, or (ii) land recorded as a forest as on or after October 25, 1980 in a government record.

- **Lands exempted:** The Bill exempts specified land from the purview of the Act. This includes forest land within 100 km along international borders, the Line of Control (LoC), or Line of Actual Control (LAC) for linear projects of strategic national importance or security.

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

**Van Sanrakshan Adhiniyam Rules, 2023, notified**

In November 2023, the Ministry of Environment, Forest, and Climate Change notified the Van (Sanrakshan Evam Samvardhan) Rules, 2023.253 These replaced the Forest (Conservation) Rules, 2022.254 They were notified under the Van (Sanrakshan Evam Samvardhan) Adhiniyam, 1980 (i.e., the Forest Conservation Act, 1980).255 The 2023 Rules specify the procedure and timeline for
approval of projects by the central government, compensatory afforestation, and initiation of proceedings against offences. Key features of the Rules include:

- **Process for in-principle approval:** For using forest land for non-forest use, the central government will provide approval in two stages: (i) in-principle approval, and (ii) final approval. Regional Offices will examine certain types of projects: (i) linear projects with more than five hectares of forest land, (ii) certain hydro-electric power projects, and (iii) projects involving forest land up to 40 hectares. The central government will provide in-principle approval for: (i) mining, (ii) de-reservation, (iii) hydro-electric power projects above 25 MW capacity, and (iv) regularisation of encroachment.

- **Final approval:** The central government will provide the final approval after receiving a compliance report from the state. The report will ascertain the payment of compensation and award for land for compensatory afforestation under the Compensatory Afforestation Fund Act, 2016.

- **Proceedings against offences:** For filing complaints of violation of the Act in the Court, the central government may authorise an officer of the rank of Divisional Forest Officer, or Deputy Conservator of Forests of the state government, and above.

### Guidelines to specify forest land exemptions issued

In November 2023, the Ministry of Environment, Forest and Climate Change issued guidelines to specify lands that will be exempt from the purview of the Van (Sarakshan Evam Samvardhan) Adhiniyam, 1980 (i.e., the Forest (Conservation) Act, 1980). The Guidelines specify the conditions for applying exemptions. Key features include the following:

- **Security related exemptions:** The Act exempts specified forest land to be used for construction of security infrastructure or public utility projects. The Guidelines specify that this exemption must be considered exclusively for left-wing extremism (LWE) affected districts notified by the central government. Exemptions for strategic linear projects concerning national security are allowed only in areas notified as such. The central government in consultation with the respective state government/UT will notify such areas as strategic and concerning national security.

- **Exemptions for projects in LWE areas:** The Act exempts specified forest land to be used for construction of public utility projects in LWE affected areas. The Guidelines limit public utility projects to twelve projects such as schools, educational institutes, hospitals.

- **Conditions for examining project proposals:** The state government must consider following criteria for examining project proposals: (i) use of forest land is for site-specific use, and not for agriculture, office, or residential purposes, (ii) all other alternatives have been considered and no other alternative is feasible, (iii) the required area is the minimum needed, (iv) the direct and indirect impact of diverting the forest land is considered by the authorities, (v) the user agency undertakes to provide the land and cost of compensatory afforestation, and (vi) conformance to the National Forest Policy.

### Conditions for surveys on forest lands notified

In November 2023, the Ministry of Environment, Forest and Climate Change notified an Order under the Forest Conservation Act, 1980. The Order specifies the terms and conditions for conducting surveys on forest land. Surveys such as reconnaissance, prospecting, investigation or exploration that fulfill certain conditions have been excluded from ‘non-forest purpose’ activities, i.e., these surveys will be treated as forest purposes. Under the Act, using forest land for non-forest purposes requires prior approval from the central government. Key features of the Order include:

- **Conditions for excluding surveys from non-forest purposes:** A non-forest purpose refers to breaking up or clearing forest land for purposes other than reforestation. Under the Order, conditions for certain surveys to be considered ‘forest purpose’ include: (i) seismic surveys for developmental projects must not break land or cut trees, and (ii) mining related surveys that involve drilling, must limit the drilling to 25 boreholes of specified diameter, and also limit deforestation to 100 trees.

- **Survey parameters:** Survey activities must be carried out temporarily, and permanent change in the land use is prohibited. After completing the survey, the forest land will be reclaimed and restored to its original state. Building new roads for transporting machinery and materials into forests is prohibited.

- **Mining surveys:** Mineral mining surveys have been prohibited in protected areas such as National Parks, Tiger Reserves, and Wildlife Sanctuaries. Surveys for development projects in such areas will require approval from the Standing Committee of the National Board for Wildlife or as per the guidelines issued by the central government.

- **Compensation for damage:** Survey induced damage such as felled trees or dug holes must
be compensated through afforestation. For instance, user agencies must pay with planting 100 trees for each bore hole dug, and the maintenance costs of the plants for 10 years. These funds will be directed to the State Compensatory Afforestation Fund Management and Planning Authority.

- **Timeline for survey completion:** User agencies must commence and complete the surveys within two years. In case no work is undertaken during this period, the approval acquired will stand rejected and possession of forest land will be taken over by the local Forest Department.

Parliament passed the Biological Diversity (Amendment) Bill, 2021

Parliament passed the Biological Diversity (Amendment) Bill, 2021 in August 2023. The Bill was introduced in December 2021, and a Joint Parliamentary Committee submitted its recommendations on the Bill in August 2022. The Bill amended the Biological Diversity Act, 2002. The Act provides for the conservation of biological resources, and benefit sharing with local communities upon access to biological resources and associated knowledge. The Act also established the National Biodiversity Authority (NBA) and State Biodiversity Board (SBB) for regulation. Key features of the Bill include:

- **Exemption from prior intimation to SBB:** Under the Act, domestic entities must intimate SBB before obtaining biological resources occurring in India for commercial utilisation. Certain activities are exempt from this requirement: (i) use by local people and communities including growers and cultivators, and (ii) vaids and hakims practicing indigenous medicine. The Bill added that access to knowledge associated with biological resources for commercial utilisation will also require prior intimation. It also exempts the following from the prior intimation requirement: (i) access to codified traditional knowledge, (ii) use of cultivated medicinal plants and their products, and (iii) use by AYUSH practitioners for sustenance and livelihood.

- **Benefit sharing:** The Act made benefit-sharing provisions applicable to research activities, commercial utilisation, as well as bio-survey and bio-utilisation for certain entities. The Bill removed its applicability from research, bio-survey and bio-utilisation. Benefit sharing refers to requiring sharing of monetary and non-monetary benefits with benefit claimers and local people. Benefit claimers are conservers of biodiversity, or creators or holders of associated knowledge.

- **Decriminalisation of offences:** Offences under the Act include failing to take approval or failing to provide prior intimation for various activities. These offences were punishable with imprisonment of up to five years, or a fine, or both. The Bill decriminalised the offences and made offences punishable with a penalty between one lakh rupees and Rs 50 lakh.

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

**Water (Prevention and Control of Pollution) Amendment Bill, 2024 passed by Parliament**

Parliament passed the Water (Prevention and Control of Pollution) Amendment Bill, 2024 in February 2024. The Bill amended the Water (Prevention and Control of Pollution) Act, 1974. The Act established the central and state pollution control boards (CPCB and SPCBs) to prevent and control water pollution. The Bill decriminalised several violations, and instead imposed penalties. The changes will initially apply to Himachal Pradesh, Rajasthan, and the union territories. Other states may pass resolutions to extend applicability to their states. Assam passed a resolution in February 2024 to adopt the Amending Act.

- **Consent exemptions for establishing industries:** As per the Act, prior consent of the SPCB is required for establishing any industry or treatment plant, which is likely to discharge sewage into a water body, sewer, or land. The Bill specified that the central government, in consultation with the CPCB, may exempt certain categories of industrial plants from obtaining such consent. The Bill also added that the central government may issue guidelines for the grant, refusal, or cancellation of consent granted by the SPCB.

- **Under the Act, establishing and operating an industry without obtaining such consent from the SPCB is punishable with imprisonment up to six years and a fine. The Bill retained this. It penalises tampering with monitoring devices used in determining whether any industry or treatment plant can be set up. The penalty is between Rs 10,000 and Rs 15 lakh.**

- **Discharge of polluting matter:** Under the Act, the SPCB may issue directions to immediately restrain any activity which is leading to discharge of noxious or polluting matter in water bodies. The Act also prohibits violation of standards (laid down by SPCB) regarding polluting matter in water bodies or on land, barring some exemptions. Exemptions include depositing non-polluting materials on the bank of a stream for reclaiming land.
Violation of these provisions was punishable with an imprisonment term between one and a half years and six years, and a fine. The Bill removed the punishment and instead, imposed a penalty between Rs 10,000 and Rs 15 lakh.

For a PRS Summary of the Bill, see here.

Several Rules under the Environment Protection Act, 1986 amended

Green credit programme implementation rules notified

In October, 2023, the Ministry of Environment, Forest and Climate Change notified the Green Credit Rules, 2023. The Rules create a market mechanism to incentivise actions relating to protection, preservation, or conservation of the environment. Green credits will be awarded for voluntary action in specified areas including: (i) tree plantation, (ii) waste management, (iii) sustainable building and infrastructure, and (iv) reducing air pollution. Such credits may subsequently be traded. Key features include:

- **Methodology:** Thresholds and benchmarks will be developed for each activity for issuing green credits. The value of a credit will be based on factors quantifying the environmental impact of these activities. Such factors include resource requirements, scale, and scope.

- **Steering Committee:** A Steering Committee will be set up which will be responsible for governing the programme. It will consist of domain experts, members from Ministries, industry associations, and other stakeholders.

- **Implementing agency:** The Indian Council of Forestry Research and Education will implement the programme. It will develop guidelines, processes, and procedures for the award and the trading of green credits. It will create a green credit registry containing all information relating to the issuance, transfer, and acquisition of green credits. It will also accredit entities as Accredited Green Credit Verifiers to conduct verification for the grant of green credits.

Rules for extended producer responsibility of used oil notified

The Ministry of Environment, Forest and Climate Change notified amendments to the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, in September 2023. The Rules were enacted to reduce hazardous waste generation and set up measures for recycling such waste. The amendments added extended producer responsibility (EPR) for managing used oil, which requires producers to recycle it. Used oil refers to oil derived from crude oil or mixtures containing synthetic oil, and oils suitable for reprocessing. The EPR applies to producers who manufacture base oil or lubrication oil, and/or sell these oils. Key features of the amendments include:

- **Management of used oil:** As per the amended Rules, used oil should be managed by: (i) producing re-refined base oil/lubrication oil, and (ii) energy recovery, i.e., utilising used oil as fuel. Re-refining refers to removing impurities from used oil to produce base oil/lubrication oil.

- **EPR targets:** It is the responsibility of the producer to recycle used oil through registered recyclers to ensure environmentally sound management. The Rules specify targets based on yearly sales/imports of base oil/lubrication oil to fulfil these obligations. Producers may take help of third-party organisations, such as dealers to meet the targets. The import of used oil is permitted for re-refining only. Used oil importers will be required to fulfil these obligations for 100% of the used oil imported in the previous year.

- **Producer responsibility certificates:** Producers may fulfil their EPR by purchasing certificates from registered recyclers of used oil. Recycling refers to re-refining used oil or energy recovery from used oil. Certificates can also be purchased based on the producer’s current and previous years’ liability.

- **Registration:** The amendments mandate producers, collection agents, recyclers, and used oil importers to register themselves with the Central Pollution Control Board (CPCB).

- **Non-compliance:** In case of non-fulfilment of obligations, the CPCB can require compensation to be paid. Entities can also be prosecuted for furnishing false information.

Plastic Waste Management Rules, 2016 amended

In March 2024, the Ministry of Environment, Forest and Climate Change notified amendments to the Plastic Waste Management Rules, 2016. The Rules specify responsibilities of entities engaged in production and sale of plastics. The amendments added the obligations for manufacturers of biodegradable plastic. Key features of the amendments include:

- **Biodegradable plastic manufacturers:** The amendments changed the definition of biodegradable plastics from ‘plastic that decomposes in ambient environment’ to plastic that decomposes in specific environments such as landfills. Such plastics must bear separate markings and labels issued by the Bureau of Indian Standards and the Food Safety and Standards Authority of India. Manufacturers of compostable/biodegradable plastic products...
must obtain a certificate from the Central Pollution Control Board (CPCB) before marketing or selling.

- **Entities obligated to fulfil EPR:** Sellers and manufacturers of plastic products are required to fulfil extended producer responsibility (EPR) obligations. These include reusing and recycling plastic packaging, and disposing end-of-life plastics. The amendments also changed which entities will be obligated to fulfil these responsibilities. Under the 2016 Rules, obligated entities included producers of plastic packaging. The amendments exempted MSME producers. Certain obligations of MSME will be fulfilled by their raw material suppliers. However, the MSMEs will have to meet targets related to using recycled plastic. The amendments added manufacturers/ importers of plastic raw material, and manufacturers of biodegradable/ compostable plastic items as obligated entities.

- **Trading EPR certificates:** The Rules permit trading EPR certificates. The amendments specified that the price of the certificate will be determined by the CPCB, subject to certain limits. The minimum price will be 30% of the compensation payable by non-complying entities, and the maximum price will be 100% of the compensation.

- **Raw material for single use plastics:** The amendments prohibit manufacturers and importers of plastic raw material from supplying to entities that manufacture single use plastic items that are prohibited by law.

**Battery Waste Management Rules, 2022 amended**

The Ministry of Environment, Forest and Climate Change notified amendments to the Battery Waste Management Rules, 2022 in October 2023 and in March 2024. These Rules require battery producers to meet extended producer responsibility (EPR) obligations related to recycling and refurbishing battery waste. EPR certificates may be traded to fulfil EPR obligations. Key features of the Amendments are:

- **Price of EPR certificates:** Under the 2022 Rules, the Central Pollution Control Board (CPCB) is responsible for regulating price of EPR certificates. The CPCB must specify the minimum price and the maximum price for the EPR certificates. The price had to factor in the cost of collection, environmental compensation, and sound management of waste batteries.

- The amendments specified that the price of EPR certificates will entirely depend on the compensation to be levied on non-complying producers. Compensation is required to be paid on the polluter pays principle, and issued by the Ministry. As per the amendments, the minimum price of an EPR certificate will be 30% of the compensation, and the maximum price will be 100% of the compensation.

- **Guidelines on compensation:** Under the 2022 Rules, the CPCB is empowered to require paying compensation in case of non-compliance with EPR obligations. An implementation committee, constituted by CPCB prepared and recommended guidelines for imposing and collecting the compensation. The 2024 amendments specified that CPCB will prepare and recommend the guidelines. CPCB may consult the implementation committee during the process.

- **Functions of producer:** Under the 2022 Rules, producers are responsible for recycling or refurbishing batteries they introduced to the market. The Amendments add that producers are also responsible to manage battery waste generated due to their own use. The amendments extend EPR obligations to EV batteries of three wheelers including goods pick up vans. Obligations include that by 2026-27, minimum 70% of the battery introduced into the market must be collected, and refurbished.

**Wild Life (Protection) International Trade of Specimen Rules, 2023 notified**

In December 2023, the Ministry of Environment, Forest and Climate Change notified Rules to regulate the international trade of certain plant and animal specimens. These Rules were made under the Wild Life (Protection) Act, 1972. The Act prohibits the international trade of endangered species of wild fauna and flora, except with a valid permit or certificate. The Rules specify conditions for granting such permits. Key features of the Rules include:

- **Trading permit:** A permit may be granted for import, export, or re-export of endangered plant and animal specimens. The Management Authority established under the Act is responsible for granting these permits. An application must be submitted with documents such as a legal procurement certificate. An export and re-export permit will be valid for six months and an import permit will be valid for 12 months.

- **Survival assessment study:** Before granting an import permit, the Management Authority must refer an application to the Scientific Authority for a survival assessment and to verify whether the recipient is equipped to care for the specimen. The Scientific Authority is a research institute notified by the central
government. In case of an export permit, a survival assessment may be conducted for specified animals such as Asian elephants, Indian python and gibbon. In both cases, the Scientific Authority must respond with advice within 30 days.

- The Management Authority must accept or reject the application within 15 days of receiving the advice or within 15 days overall. The Rules prohibit export to a country which has not adopted the Convention on International Trade in Endangered Species.

**Cancellation of permit:** The Management Authority may cancel a permit on grounds such as: (i) potential commercial use of the specimen, (ii) inability of the recipient to care for certain species such as sea turtles, and river dolphins, and (iii) not minimising risks while handling certain living specimens such as striped civet, and pigmy hippopotamus.

### Earth Sciences

**Cabinet approved overarching scheme PRITHVI for Ministry of Earth Sciences**

In January 2024, the Union Cabinet approved an umbrella scheme PRITHVI Vigyan (PRITHVI). It encompasses five ongoing sub-schemes under the Ministry of Earth Sciences. These relate to climate research modelling, polar science, seismology, and education, and outreach.

PRITHVI scheme seeks to: (i) augment and sustain long-term observations of the atmosphere, ocean, and the solid earth, (ii) develop model systems for understanding and predicting weather and climate hazards, (iii) explore polar and high seas regions, and (iv) develop technology for harnessing oceanic resources sustainably. The Scheme is to be implemented from 2021 to 2026, at an overall cost of Rs 4,797 crore.

### Housing and Urban Affairs

**Bill to extend protection to unauthorised colonies in Delhi passed by Parliament**

The National Capital Territory of Delhi Laws (Special Provisions) Second (Amendment) Bill, 2023 was passed by Parliament in December 2023. The Bill amended National Capital Territory of Delhi Laws (Special Provisions) Second Act, 2011. The Act protects unauthorised development and encroachment by specified persons in the Union Territory of Delhi from punitive action. These include slum dwellers, hawkers, unauthorised colonies, schools, religious and cultural institutions, and agricultural godowns. It requires the central government to take certain measures to address these issues. These include: (i) finalising norms, policy guidelines, and strategies, and (ii) making orderly arrangements for relocation and rehabilitation.

The Act was initially valid until December 31, 2014, with subsequent amendments extending it until December 31, 2023. The Bill further extended the validity until December 31, 2026.

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

**Cabinet approved scheme to make cities climate change resilient and promote circular economy**

In May 2023, the Union Cabinet approved the ‘City Investments to Innovate, Integrate and Sustain 2.0’ (CITIIS 2.0) for a period of four years (2023-2027). The total funding for the scheme includes a loan for Rs 1,760 crore and a technical assistance grant for Rs 106 crore.

CITIIS, launched in 2018, is a sub-component of Smart Cities Mission in 12 select cities. It focuses on building infrastructure related projects in cities, capacity building with states, and promoting integrated urban management at the national level. Key aims of CITIIS 2.0 include: (i) providing financial and technical support in up to 18 smart cities for projects related to building climate resilience, and circular economy focusing on waste management, (ii) assisting states (on demand basis) to facilitate climate data driven planning with necessary infrastructure and build capacities of urban local bodies, and (iii) assisting the centre, state, and city to integrate climate change governance in urban India. CITIIS 2.0 seeks to supplement climate change commitments of India through National Mission on Sustainable Habitat, Atal Mission for Rejuvenation and Urban Transformation 2.0 (AMRUT), Swachh Bharat Mission 2.0 and Smart Cities Mission.

**Cabinet approved PM-eBus Sewa for enhancement of city bus operations**

The Union Cabinet approved the PM-eBus Sewa in August 2023 to enhance city bus operations and promote sustainable mobility. The scheme aims to promote electric mobility and support the development of charging infrastructure in cities. It will provide for: (i) 10,000 e-buses on a public-private partnership (PPP) model, and (ii) green initiatives like multimodal interchange, and automated fare collection system. The total budget outlay for the scheme is Rs 57,613 crore, of which Rs 20,000 crore will be provided by the central government. The scheme will run over 10 years and will target cities with over three lakh...
population. Cities lacking organised bus services will be prioritised.

Social Justice

Parliament passed Bills modifying the list of Scheduled Castes and Scheduled Tribes in several states

Parliament passed seven Bills to amend the list of Scheduled Castes (SCs) and Scheduled Tribes (STs) in Odisha, Andhra Pradesh, Himachal Pradesh, Chhattisgarh and Jammu and Kashmir. The Bills amend the Schedules Castes Order, 1950 and Scheduled Tribes Order, 1950. These lists identify groups eligible for policies and schemes aimed at SCs and STs, in each state. They can be amended by acts of Parliament. Key amendments in 2023-24 include:

- **Odisha**: The following communities have been added to the list of Scheduled Tribes in Odisha: (i) Muka Dora, Mooka Dora, Nuka Dora, Nooka Dora (for districts of Koraput, Nowrangapur, Rayagada, and Malkangiri), and (ii) Konda Reddy, Konda Reddi. The Tamadia and Tamudia communities were moved from the list of Scheduled Castes to the list of Scheduled Tribes.

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

- **Andhra Pradesh**: The following communities have been added to the list of Scheduled Tribes in Andhra Pradesh: (i) Bondo Porja, (ii) Khond Porja, and (iii) Konda Savaras.

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

- **Himachal Pradesh**: The Hattee community of Trans Giri of Sirmour district has been included in the list of Scheduled Tribes in Himachal Pradesh.

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

- **Chhattisgarh**: The following communities have been included in the list of Scheduled Tribes in Chhattisgarh: (i) Dhanuwar, (ii) Dhanuwar, (iii) Kisan, (iv) Saunra, (v) Saonra, and, (vi) Binjia.

Three Devanagari versions of the name of the Pando community have also been included in this list.

- **Jammu and Kashmir**: The following communities have been added to the list of Scheduled Tribes in Jammu and Kashmir: (i) Gadda Brahmin, (ii) Koli, (iii) Paddari Tribe, and (iii) Pahari Ethnic Group.

- The Valmiki community has been added as a synonym of Chura, Balmiki, Bhangi, and Mehtar communities. These communities fall within the list of Scheduled Castes.

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

Tribal Affairs

Cabinet approved PM Janjati Adivasi Nyaya Maha Abhiyan (JANMAN)

The Union Cabinet approved the Pradhan Mantri Janjati Adivasi Nyaya Maha Abhiyan (PM JANMAN) in November 2023, with a total outlay of Rs 24,104 crore. Under the scheme, the central share is Rs 15,336 crore, while the state share is Rs 8,768 crore. PM JANMAN aims to improve the socio-economic conditions of the Particularly Vulnerable Tribal Groups (PVTGs). Based on the 2011 Census, India has a Scheduled Tribe population of around 10.5 crore, of which, 75 communities located in 19 states and UTs have been categorised as PVTGs. PM-JANMAN aims to provide essential facilities such as safe housing, clean drinking water, road connectivity, and sustainable livelihood opportunities for PVTGs.

PM-JANMAN focuses on 11 critical interventions, including: (i) connecting roads, (ii) provision of pucca houses, (iii) piped and community water supply, (iv) vocation education, and (v) the construction of hostels. As of March 8, 2024, progress under the scheme includes construction of: (i) 1.7 lakh pucca houses (35% of the target), (ii) 2,800 km roads (35% of the target), and (iii) 2.6 lakh functional household tap connections. The scheme will be implemented till 2026.

Guidelines for solar power for un-electrified households in tribal areas issued

The Ministry of New and Renewable Energy released Guidelines to implement a solar power scheme under Pradhan Mantri Janjati Adivasi Nyaya Maha Abhiyan (PM-JANMAN). PM-JANMAN was launched in November 2023, and includes interventions such as providing off-grid solar power and solar street lighting to particularly vulnerable tribal groups across 18 states. Off grid power may be provided only when providing it through the main grid is not feasible. These components of the scheme have a financial outlay of Rs 515 crore across three years. Distribution licensees (discoms) in the respective areas will be
implementing agencies. Key features of the Guidelines are as follows:

- **Electrification of individual households:** Individual households scattered in specified tribal areas, will be provided with an off-grid solar power system. This will consist of solar panels and battery system for storage. The households will also be provided with appliances such as LED bulbs and fans. The central government will fund this component of the scheme entirely. Discoms must operationalise the system within three months of awarding a tender.

- **Mini-grid for a cluster of households:** A mini-grid may be installed instead of providing an individual system, in a region with a cluster of households. Appliances will also be provided under this component. Households will be eligible to draw power from the mini-grid, and the grid should be designed such that it may be connected to the main grid in the future. A central share of up to Rs 50,000 per household will be provided for this component.

- **Solarising multi-purpose centres:** Multi-purpose centres will be electrified through off-grid solar. Power from this grid may be used for street lighting. Under this component, the central government will provide one lakh rupees per centre. Discoms must operationalise grids within nine months of awarding the tenders.

- **Inspection and monitoring:** Implementing agencies will carry out inspections for the first two years, after which a third party will carry it out. The Ministry of New and Renewable Energy and the Ministry of Tribal Affairs will monitor performance indicators such as the percentage of households electrified off-grid.

### North Eastern Region

**Cabinet approved the extension of development schemes for north-eastern region**

The Union Cabinet approved the extension of two schemes in August 2023: (i) the North East Special Infrastructure Development Scheme (NESIDS), and (ii) the North Eastern Council Scheme (NECS). The guidelines of these two schemes were also revised.

- **NESIDS:** This scheme aims to facilitate infrastructure development and connectivity in all northeastern states. It has been extended till 2025-26 with a total outlay of Rs 8,140 crore. The extended scheme was restructured into two components: (i) NESIDS-Roads, focusing on road, rail, and water connectivity to tourism and economic hubs, and (ii) NESIDS-Other than Road Infrastructure, covering projects related to water bodies, solid waste management, and power.

- **NECS:** NECS aims to fill gaps in the overall development of the north-eastern region. This scheme covers focus areas such as higher education, organic farming, health, and regional tourism. It has been extended till 2026 with a total outlay of Rs 3,200 crore.

- **Oversight of schemes:** The Empowered Inter-Ministerial Committee at the central level monitors and evaluates projects under both schemes. The State-level Empowered Committee monitors projects under the NESIDS-Other than Road Infrastructure and NECS at the state level.

### Central sector scheme for promoting north eastern products launched

In April 2023, the Ministry of Tribal Affairs launched a central sector scheme — Marketing and Logistics Development for Promotion of Tribal Products from North-Eastern Region. The scheme seeks to assist tribal craftsmen in increasing their revenue. Rs 143 crore has been allocated for the implementation of the scheme. The scheme provides incubation support, skill development, sourcing and procurement support, marketing, transportation, and publicity for products created by tribal craftsmen. It also empanels tribal artisans/producers by organising tribal artisan melas. National and international marketing linkages are provided for the tribal products of the north eastern region.
Parliament

The Post Office Bill, 2023 was passed by Parliament in December 2023. The Bill repealed the Indian Telegraph Act, 1885, and the Indian Wireless Telegraphy Act, 1933. The Bill also amended the Telecom Regulatory Authority of India Act, 1997. Key features include:

- **Authorisation for telecom-related activities:** Prior authorisation from the central government is required to: (i) provide telecommunication services, (ii) establish, operate, maintain, or expand telecommunications networks, or (iii) possess radio equipment. Existing licences will continue to be valid for the period of their grant, or for five years, where the period has not been specified.

- **Assignment of spectrum:** Spectrum is to be assigned by auction, except for specified uses, where it will be allocated on an administrative basis. These include purposes such as: (i) national security and defence, (ii) disaster management, (iii) weather forecasting, (iv) transport, (v) satellite services such as DTH and satellite telephony, and (vi) BSNL, MTNL, and public broadcasting services. The central government may re-purpose or re-assign any frequency range. The central government may permit sharing, trading, leasing, and surrender of spectrum.

- **Powers of interception and search:** Messages or a class of messages between two or more persons may be intercepted, monitored, or blocked on certain grounds. Such actions must be necessary or expedient in the interest of public safety or public emergency, and must be in the interest of specified grounds which include: (i) security of the state, (ii) prevention of incitement of offences, or (iii) public order. An officer authorised by the government may search premises or vehicles for the possession of an unauthorised telecom network or equipment.

For a PRS analysis of the Bill, see here.

Bill to regulate post office passed by Parliament

The Post Office Bill, 2023 was passed by Parliament in December 2023. The Bill replaced the Indian Post Office Act, 1898. The Act provided for matters relating to the functioning of the post office. Key features of the Bill include:

- **Removal of certain privileges of the central government:** The Act provided that wherever the central government establishes posts, it would have the exclusive privilege of conveying letters by post, as well as incidental services such as receiving, collecting, and delivering letters. The Bill does not provide for such privileges. However, the central government has the exclusive privilege of issuing postage stamps.

- **Power to intercept shipments:** The Act allowed for the interception of shipments being transmitted through the post on certain grounds. An interception could be carried out on the occurrence of any public emergency, or in the interest of public safety or tranquillity. Such interceptions may be carried out by the central government, state governments, or any authorised officer.

- The Bill provides that the interception of a shipment being transmitted through post may be carried out on the following grounds: (i) security of the state, (ii) friendly relations with foreign states, (iii) public order, emergency, or public safety, or (iv) contravention of the provisions of the Bill or any other law. Officers, empowered by the central government through a notification, may carry out such an interception.

- **Removal of offences and penalties:** The Act prescribed penalties for several offences such as theft, misappropriation, and the destruction of postal articles. The Jan Vishwas (Amendment of Provisions) Act, 2023, amended the Indian Post Office Act, 1898 to remove all offences and penalties. The Bill does not provide for any offences or consequences, except one. Amounts not paid or neglected by a user will be recoverable as arrears of land revenue.

For a PRS analysis of the Bill, see here.

Cabinet approved third revival package for BSNL

In June 2023, the Union Cabinet approved a revival package for BSNL involving an outlay of Rs 89,047 crore. The package provided for allotment of 4G/5G spectrum for BSNL through equity infusion. It seeks to enable BSNL to provide: (i) 4G and 5G services across India, (ii) 4G coverage in rural and uncovered villages, (iii) fixed wireless access, and (iv) services/spectrum
for the captive non-public network (networks for private use). The authorised capital of BSNL was increased from Rs 1,50,000 crore to Rs 2,10,000 crore. Authorised capital refers to the maximum amount of share capital a company is allowed to issue to its shareholders. This has been the third such revival package in recent years.

In 2019, a package worth Rs 69,000 crore was approved by the Cabinet. This provided for: (i) in-principle merger of BSNL and MTNL, (ii) capital infusion for allotment of 4G spectrum, and (iii) costs towards voluntary retirement scheme. This was followed by another package worth Rs 1.64 lakh crore in 2022. The second package was provided for: (i) allocating spectrum for ongoing and services and setting up 4G services, (ii) settling statutory dues worth Rs 33,404 crore by providing financial support for capital expenditure.

Wireless Telegraphy Rules, 2023 notified

In April 2023, the Ministry of Communications notified the Indian Wireless Telegraphy (Cell Broadcasting Service for Disaster Alerts) Rules, 2023. The Rules were notified under the Indian Wireless Telegraphy Act, 1933. Key features of the Rules are:

- **Obligations on phone manufacturers**: After October 2023, phone manufacturers, before selling or manufacturing, must ensure certain facilities in smart phones or feature phones. These include: (i) mandatory support to receive cell broadcast messages in English and Hindi languages, (ii) alert sounds, vibration, and light duration for at least thirty seconds, and (iii) maintaining cell broadcast messages on the screen until acknowledged by the user. Cell broadcast refers to sending messages to multiple mobile telephone users in a defined area at the same time in a broadcast manner. After April 2024, all smart phones or feature phones must have support to receive cell broadcast messages and automatically read them out. The messages should be read out in Indian accent, in all languages as per the Eighth Schedule to the Constitution of India, subject to the memory of the feature phone.

- **Cell broadcast in existing smart phones**: Mobile phone manufacturers and operating systems developers must explore providing cell broadcasting messages. These messages must be read out in languages in the Eighth Schedule of the Constitution. This will be applicable on smart phones sold in India within four years prior to the notification of the Rules. All manufacturers and developers must attempt to fulfill this obligation within six months of the notification of the Rules.

The Telegraph Right of Way (Amendment) Rules, 2023 notified

In August 2023, the Indian Telegraph Right of Way (Amendment) Rules, 2023 were notified. They amended the Indian Telegraph Right of Way Rules, 2016. The 2016 Rules provide a framework for laying telecom infrastructure such as cables, antennas, and cells. Key changes include:

- **Establishing temporary infrastructure**: The amended Rules allow a licensee to establish temporary overground infrastructure if the underground infrastructure gets damaged. The temporary infrastructure may be established for 60 days from the day damage has been reported. No compensation or fee will be charged by the appropriate authority for such temporary infrastructure.

- **Installation of small cells**: Under the amended rules, a licensee may submit a single application for setting up small cells over multiple sites with the appropriate authority. A small cell refers to a low power radio access node that can provide cellular services up to two kilometres. Previously, applicants had to make individual applications for each cell.

- **Small cells could be installed on street furniture**: The amended Rules define street furniture to include: (i) electricity poles/posts, (ii) street lights, (iii) traffic lights, (iv) taxi stands, (v) bus stands, (vi) memorials, and (vii) utility poles. The amended Rules state that the central authorities cannot charge administrative fees or compensation for small cells deployed on structures under their control. However, power charges and other fixtures provided by building owners may be levied.

TRAI released various recommendations

The Telecom Regulatory Authority of India (TRAI) released various recommendations throughout the year. In May 2023, it released ‘Recommendations on Ease of Doing Business in Telecom and Broadcasting Sector’. In September 2023, it released recommendations on topics such as: (i) promoting networking and telecom equipment manufacturing, (ii) issues related to FM radio broadcasting sector, and (iii) augmenting telecom infrastructure in the north-eastern region. Key recommendations included:

- **Clearances and approvals**: TRAI noted that the process of obtaining permissions, and making payments is complex and time consuming. Concerned Ministries should set up a single window system for all clearances and approvals. Each Ministry should specify stage-wise timelines for all the processes in the respective guidelines or policies. They should also set up a standing Ease of Doing Business
committee to review, simplify, and update processes in this regard.

- **Infrastructure and essential services status:** Broadcasting and cable service sector should be granted ‘infrastructure status’. This will enable the industry to raise capital from non-banking finance companies, insurance companies, pension funds and India Infrastructure Financing Company Limited. Laying of submarine cables should also be classified as ‘critical and essential services’.

- **Manufacturing:** TRAI recommended that domestic value addition in the manufacturing of networking and telecom equipment should be a key objective. To promote domestic manufacturing, its key recommendations include: (i) extending PLI scheme for component manufacturing, (ii) incentivising telecom service providers to buy domestically made equipment, (iii) providing capital subsidy for manufacturing facilities and interest subvention to MSMEs, (iv) establishing a dedicated venture capital fund for startups in telecom manufacturing, (v) introducing tax incentives for investment in R&D, and (vi) treating telecom software as independent component manufacturing, (ii) incentivising equipment, (iii) providing capital subsidy for manufacturing facilities and interest subvention to MSMEs, (iv) establishing a dedicated venture capital fund for startups in telecom manufacturing, (v) introducing tax incentives for investment in R&D, and (vi) treating telecom software as independent component manufacturing, (ii) incentivising equipment, (iii) providing capital subsidy for manufacturing facilities and interest subvention to MSMEs, (iv) establishing a dedicated venture capital fund for startups in telecom manufacturing, (v) introducing tax incentives for investment in R&D, and (vi) treating telecom software as independent component manufacturing, (ii) incentivising equipment, (iii) providing capital subsidy for manufacturing facilities and interest subvention to MSMEs, (iv) establishing a dedicated venture capital fund for startups in telecom manufacturing, (v) introducing tax incentives for investment in R&D, and (vi) treating telecom software as independent component manufacturing, (ii) incentivising equipment, (iii) providing capital subsidy for manufacturing facilities and interest subvention to MSMEs, (iv) establishing a dedicated venture capital fund for startups in telecom manufacturing, (v) introducing tax incentives for investment in R&D, and (vi) treating telecom software as independent component manufacturing, (ii) incentivising equipment, (iii) providing capital subsidy for manufacturing facilities and interest subvention to MSMEs, (iv) establishing a dedicated venture capital fund for startups in telecom manufacturing, (v) introducing tax incentives for investment in R&D, and (vi) treating telecom software as independent component manufacturing, (ii) incentivising equipment, (iii) providing capital subsidy for manufacturing facilities and interest subvention to MSMEs, (iv) establishing a dedicated venture capital fund for startups in telecom manufacturing, (v) introducing tax incentives for investment in R&D, and (vi) treating telecom software as independent component manufacturing, (ii) incentivising equipment, (iii) providing capital subsidy for manufacturing facilities and interest subvention to MSMEs, (iv) establishing a dedicated venture capital fund for startups in telecom manufacturing, (v) introducing tax incentives for investment in R&D, and (vi) treating telecom software as independent component manufacturing, (ii) incentivising equipment, (iii) providing capital subsidy for manufacturing facilities and interest subvention to MSMEs, (iv) establishing a dedicated venture capital fund for startups in telecom manufacturing, (v) introducing tax incentives for investment in R&D, and (vi) treating telecom software as independent component manufacturing, (ii) incentivising equipment, (iii) providing capital subsidy for manufacturing facilities and interest subvention to MSMEs, (iv) establishing a dedicated venture capital fund for startups in telecom manufacturing, (v) introducing tax incentives for investment in R&D, and (vi) treating telecom software as independent component manufacturing, (ii) incentivising equipment, (iii) providing capital subsidy for manufacturing facilities and interest subvention to MSMEs, (iv) establishing a dedicated venture capital fund for startups in telecom manufacturing, (v) introducing tax incentives for investment in R&D, and (vi) treating telecom software as independent component manufacturing.

- **FM Radio broadcasting:** For FM radio broadcasting sector, it recommended: (i) charging license fee as 4% of gross revenue (after excluding GST), (ii) allowing private radio channels to run their own news bulletins, (currently, they are allowed to only air bulletin from All India Radio), and (iii) mandating that FM radio-receivers are activated on mobile phones equipped with necessary hardware.

- **Infrastructure in the north-eastern region:** TRAI observed that the north-eastern region suffers from poor digital connectivity. To improve this scenario, it made several recommendations. These include: (i) harmonising local right of way rules with the rules framed by the central government, (ii) providing electricity to telecom sites on a priority basis, (iii) utilising Universal Service Obligation Fund (USOF) to fund infrastructure development projects, and (iv) identifying uncovered villages regardless of population for providing 4G connectivity. The USOF allows for setting up digital infrastructure in remote areas for access to digital services.

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**Electronics and IT**

### Digital Personal Data Protection Bill, 2023 passed by Parliament

The Digital Personal Data Protection Bill, 2023 was passed by Parliament in August, 2023. The Bill provides for the protection of personal data and the privacy of individuals. Key features include:

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

- **Rights and duties of data principal:** An individual, whose data is being processed (data principal), has the right to: (i) obtain information about processing, (ii) seek correction and erasure of personal data, (iii) nominate another person to exercise rights in the event of death or incapacity, and (iv) grievance redressal. Data principals also have certain duties. They must not: (i) register a false or frivolous complaint, and (ii) furnish any false particulars or impersonate another person in specified cases. Violation of duties of the data principal are punishable with a penalty of up to Rs 10,000.

- **Obligations of data fiduciaries:** The entity determining the purpose and means of processing (data fiduciary) must: (i) make reasonable efforts to ensure the accuracy and completeness of data, (ii) build reasonable security safeguards to prevent a data breach, (iii) inform the Data Protection Board of India and affected persons in the event of a breach, and (iv) erase personal data as soon as the purpose has been met and retention is not necessary for legal purposes (storage limitation). In case of government entities, storage limitation and the right of the data principal to erasure do not apply.

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

### IT Rules amended to regulate fake news and online gaming

In April 2023, the Ministry of Electronics and Information Technology notified amendments to the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 (IT Rules). The IT Rules were notified...
under the Information Technology Act, 2000 (IT Act). The amendments regulate false information and online gaming. Key features of the amendments include:

- **False information:** The IT Act provides intermediaries with exemption from liability for third-party content (safe harbour) if they comply with certain requirements. The 2021 Rules delineated such requirements. The Amendments added that any information about the central government’s activities may be identified as fake, false or misleading by the fact check unit of the central government. For intermediaries to avail safe harbour, this information must be removed. Press Information Bureau was notified as the fact check unit by the Ministry in March 2024. However, the Supreme Court has stayed its implementation until the Bombay High Court gives its final decision regarding the constitutionality of the Rules.

- **Online gaming:** The amended Rules define that online real money games are those where users deposit money (cash or kind) with the expectation of winning it back. Such games are permissible if they are verified by a gaming self-regulatory body. A self-regulatory body must be designated by the Ministry and its membership must be representative of the gaming industry. Criteria for verifying such games includes not wagering on an outcome and having appropriate age restrictions.

- **Requirements for gaming intermediaries:** Intermediaries that enable access to online games are also required to comply with certain requirements to avail safe harbour. These include removing unlawful content stored or hosted on such intermediaries voluntarily, or based on orders by the appropriate government. Intermediaries that provide permissible real money games are additionally required to: (i) display a verification mark received by the regulatory body, (ii) inform users of withdrawal and refund policy and KYC procedure for identity verification. The central government is also empowered to require online gaming intermediaries to observe additional due diligence obligations.

- **Surrogate advertisement:** To avail safe harbour, intermediaries are required to remove advertisements/surrogate advertisements of: (i) online games that are not permissible, or (ii) intermediaries that offer such games.

A draft of the Rules was introduced in January 2023 for public feedback. For a PRS analysis of the draft Rules, see [here](#).

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**Home secretary required to destroy records of interception under IT Amendment Rules**

In February 2024, the Ministry of Electronics and Information Technology notified the Information Technology (Procedure and Safeguards for Interception, Monitoring and Decryption of Information) Amendment Rules, 2024. The principal Rules were notified in 2009. The Rules have been issued under Information Technology Act, 2000, which allow for the interception, monitoring and decryption of data under certain specified grounds.

As per the 2009 Rules, the notified security agency must destroy all records pertaining to the interception, monitoring and decryption of data every six months. Records pertaining to directions for such actions must also be destroyed. These records must be destroyed unless required or are likely to be required. The amendments added that the competent authority (under the Rules) must also destroy such records. The competent authority is the: (i) Secretary of the Union Ministry of Home Affairs, or (ii) Secretary in charge of the Home Department of state governments. These authorities sanction the action of interception, monitoring, or decryption.

**Cabinet approved PLI scheme for IT Hardware**

In May 2023, the Union Cabinet approved the Production Linked Incentive (PLI) Scheme 2.0 for IT hardware for a period of six years. The scheme provides incentives to selected companies on incremental sale of products manufactured domestically. The scheme covers manufacturing of laptops, tablets, all-in-one PCs, servers, and ultra-small form factor devices. The estimated expenditure under the scheme is Rs 17,000 crore over six years. The program is expected to lead to an incremental investment of Rs 2,430 crore and create 75,000 jobs.

**Guidelines on information security practices for government entities issued**

In June 2023, the Indian Computer Emergency Response Team (CERT-In) issued “Guidelines on Information Security Practices” under the Information Technology Act, 2000 for government entities. Under the Act, CERT-In has been established as the national agency for cyber security incidents by the central government. It is responsible for handling cyber security incidents and issuing guidelines relating to security practices, prevention, and reporting of such incidents. These guidelines are applicable to all ministries, departments, public sector enterprises, and other government agencies. Key features of the guidelines are as follows:

- **Policy measures:** Organisations must...
formulate a cyber security policy and nominate a Chief Information Security Officer for IT security. The Officer must have a dedicated cyber security team. Internal and external audits must be conducted for information and communications technology infrastructure. Periodic security audit and risk assessment must be undertaken. An incident management plan must be put in place to prevent and effectively respond to cybersecurity incidents. The organisation must report each cybersecurity incident to CERT-In within six hours of discovering the incident.

- **Data Security:** Organisations must take certain measures to ensure data security. These include: (i) identifying personal data and sensitive data, and encrypting it, (ii) deploying tools to detect data breaches, (iii) conducting third party assessment to monitor data breaches, and (iv) implementing a data backup policy. Third-party access to information must be restricted and must only be done after signing a non-disclosure agreement with the third party.

- **Network and infrastructure:** A firewall must be deployed to create a buffer zone between the internet, untrusted networks, and networks used by businesses. Network parameters must be managed by controlled access to ports, protocols, and applications filtering traffic. Further, network intrusion and prevention systems must be deployed. Malicious internet protocols and domains identified and shared by CERT-In and security agencies must be monitored/blocked.

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**Power**

**Various amendments made to Electricity Rules**

The Ministry of Power made several amendments to the Electricity Rules, 2005 in 2023-24. The Rules have been issued under the Electricity Act, 2003. The Act regulates licences and tariffs for power. The Rules regulate the generation, transmission, distribution, trading and use of electricity. Key amendments to the Rules include:

- **Additional surcharge for open access:**
  
  Under the 2005 Rules, an additional surcharge may be levied on open access users. Open access consumers buy electricity directly from generators and utilise network of transmission and distribution utilities for receiving supply. In January 2024, the amended Rules capped this surcharge below the per unit fixed cost of power paid by the discom. The surcharge must be reduced such that it is eliminated within four years of granting open access. The surcharge will be levied only if the open access consumers are or have previously been consumers of the discom.

- **Charges on using state network capped:**
  
  Certain general network access consumers may use the network of state transmission utilities. In January 2024, the amended Rules added that charges levied for short-term or temporary open access, should not exceed 110% of the charges levied on long-term users. Temporary users are those that have general network access for a period less than 11 months.

- **Licence not required for dedicated transmission lines:**
  
  In January 2024, the amended Rules added that certain entities will not require a licence to establish and operate dedicated transmission lines. These include gencos, captive generating plants, and energy storage systems. Dedicated transmission lines refer to electric supply-lines that connect captive generating plants or generating stations to transmission lines, sub-stations or generating stations. Consumers with a minimum load of 25 megawatts (MW) in case of inter-state transmission, and 10 MW in case of intra-state transmission are also exempt from this licence.

- **Captive power generators:**
  
  Under the Rules, a power generation plant is qualified to be a captive generation plant if a user owned at least 26% of the plant. A captive generation plant is a power plant set up for one’s own use. In July and September 2023, the amendments added that in cases where the plant is established by a captive user’s holding company, the captive user must own at least 51% of that company. Further, a subsidiary company of an existing captive user will also be considered a captive user. The amendments also added that in cases where the users and generating plant are located in over one state, the captive status of the power plant will be verified by the Central Electricity Authority.

- **Validity of licences:**
  
  Under the Act, central or state commissions may grant licences to transmit, distribute or trade electricity. Entities such as central or state transmission utilities and government companies are considered deemed licensees. In July 2023, the amendments specified that deemed licences will be valid for 25 years, and the validity of all other licences will be specified in the license itself. Deemed licences are also to be automatically renewed for another 25 years after expiry, unless revoked. The renewal period may be lower if requested by the licensee. These rules do not apply to
transmission developers selected through
tariff-based bidding.

Electricity (Rights of Consumers) Rules
amended

The Ministry of Power amended the Electricity
(Rights of Consumers) Rules, 2020 in June 2023
and February 2024.341,342 These Rules specify the
rights and obligations of electricity consumers.343
These include standards of servicing, metering, and
billing. Key features of the Rules include:

- **Time-of-day tariff to be mandatory:** In June
  2023, amendments were notified to mandate
  the introduction of time-of-day tariffs for retail
  consumers except for agricultural consumers.
  Time-of-day tariff means that tariffs during a
single day may be different at different points
in time. For example, tariffs may be higher
during peak hours and lower during solar hours
(when solar energy can be harnessed). This is
effective from: (i) April 1, 2024, for industrial
and commercial consumers with maximum
demand of up to 10 kilowatts, and (ii) April 1,
2025, for other consumers. For consumers
with smart meters, it is applicable immediately.

- **Floor for time-of-day tariffs:** Time-of-day
  tariffs apply to the energy charges. Energy
  charges are payable based on the total energy
consumed in a billing cycle. The amendments
notified in June 2023 provide that the time-of-
day tariff must not be less than: (i) 1.2 times
the normal tariff for industrial and commercial
consumers, and (ii) 1.1 times for other
consumers. During solar hours, the tariff
should be less than the normal tariff by at least
20%. Peak hours must not be longer than the
solar hours.

- **Treatment of the sanctioned load for billing:**
The 2020 Rules require smart meters or pre-
paid to be installed for new connections. The
June 2023 amendments specify that once smart
meters have been installed, penalty will not be
levied if the consumption is more than the
sanctioned load. For billing, the actual
recorded maximum demand is treated as the
sanctioned load. A higher sanctioned load may
attract a higher tariff slab.

- **Revision of the sanctioned load:** As per the
amendments in June 2023, if the monthly
consumption exceeds the sanctioned load at
least three times in a financial year, the
sanctioned load must be revised by the
distribution company. The new sanctioned
load will be the lowest of the monthly
consumption. The distribution company may
also reduce the sanctioned load if the
consumption decreases.

- **Choice to opt for a single connection for a
building:** In February 2024, the amended
Rules allowed owners residing in
apartments/flats/colonies to choose between
individual connections for each owner or a
single connection for the entire premises. If
more than 50% owners opt for an individual
connection, then all owners will be provided
with an individual connection.

- In case of a single connection for a building or
society, the Resident Welfare Association is
responsible for metering, billing, and
collection from individual owners. The
Resident Welfare Association must operate on
a no-profit, no-loss basis. Discoms may
provide a separate connection for charging
electric vehicles.

- **Feasibility study for rooftop solar systems:**
Earlier, the Rules required a technical
feasibility study to be conducted within 21
days or as specified by the State Commission
to establish a rooftop solar system. The
February 2024 amendment to the Rules
mandate that the study must be completed
within 15 days. The amended Rules also
added that failure to intimate the results to the
applicant will deem the project feasible. Solar
systems up to 10 kW capacity are exempted
from a technical feasibility study. For rooftop
solar systems below 10 kW, the cost of
upgrading the distribution infrastructure must
be borne by the discom.

Cabinet approved scheme to provide for
rooftop solar in one crore households

In February 2024, the Union Cabinet approved the
PM-Surya Ghar: Muft Bijli Yojana.344 The scheme
aims to install rooftop solar systems in one crore
households. It provides financial assistance worth
60% of the system cost for installations up to 2-
kilowatt (kW) capacity. For capacities between 2
and 3 kW, financial assistance for 40% of the
system cost will be provided. For systems below 3
kW, households are eligible for collateral free loans
at an interest rate of 7%. The total outlay under the
scheme is estimated to be Rs 75,021 crore.

<table>
<thead>
<tr>
<th>Installed Capacity</th>
<th>Financial Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 kW</td>
<td>30,000</td>
</tr>
<tr>
<td>2 kW</td>
<td>60,000</td>
</tr>
<tr>
<td>3 kW or higher</td>
<td>78,000</td>
</tr>
</tbody>
</table>

Sources: Press Information Bureau; PRS.

A 3-kW rooftop solar system is expected to
generate more than 300 units per month on an
average for a household. The households are
allowed to sell surplus power to distribution
companies in their area.
Renewable energy consumption obligation notified for the 2024-30 period

In October 2023, the Ministry of Power notified the minimum renewable energy consumption obligation for the 2024-2030 period.345 The notification was issued under the Energy Conservation Act, 2001.346 The Act empowers the central government to mandate certain consumers to use a minimum amount of energy from non-fossil sources. The obligation has to be met directly, or through purchase of renewable energy certificates (issuoted to those surpassing their target).

Table 14: Year-wise and source-wise minimum renewable energy consumption obligation

<table>
<thead>
<tr>
<th>Year</th>
<th>Wind</th>
<th>Hydro</th>
<th>Distributed RE</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2024-25</td>
<td>0.7%</td>
<td>0.4%</td>
<td>1.5%</td>
<td>27.4%</td>
<td>29.9%</td>
</tr>
<tr>
<td>2025-26</td>
<td>1.5%</td>
<td>1.2%</td>
<td>2.1%</td>
<td>28.2%</td>
<td>33.0%</td>
</tr>
<tr>
<td>2026-27</td>
<td>2.0%</td>
<td>1.3%</td>
<td>2.7%</td>
<td>29.9%</td>
<td>36.0%</td>
</tr>
<tr>
<td>2027-28</td>
<td>2.5%</td>
<td>1.4%</td>
<td>3.3%</td>
<td>31.6%</td>
<td>38.6%</td>
</tr>
<tr>
<td>2028-29</td>
<td>3.0%</td>
<td>1.4%</td>
<td>3.9%</td>
<td>33.1%</td>
<td>41.4%</td>
</tr>
<tr>
<td>2029-30</td>
<td>3.5%</td>
<td>1.3%</td>
<td>4.5%</td>
<td>34.0%</td>
<td>43.3%</td>
</tr>
</tbody>
</table>

Sources: S.O. 4617 (E), Ministry of Power; PRS.

Key features of the notification include:

- **Applicability**: The obligation applies to: (i) electricity distribution licensees, and (ii) open access consumers and captive users among other designated consumers under the Act. Designated consumers include industries such as mining transport, and commercial buildings. Open access consumers are those who procure power from generators directly. Captive users are entities that generate electricity for their own consumption.

- From April 1, 2024, the renewable purchase obligation (RPO) for distribution licensees under the Electricity Act had ceased to exist.347

- For open-access consumers and captive users, the consumption obligation applies to the extent of consumption from sources other than distribution licensees. Further, source-specific targets do not apply to them.

Carbon Credit Trading Scheme, 2023 notified

In June 2023, the Ministry of Power notified the Carbon Credit Trading Scheme, 2023 under the Energy Conservation Act, 2001.348,349 Carbon credit refers to a value assigned to achieving reduction of greenhouse gas emissions.

- **Issuance of carbon credits**: The Ministry of Power will notify entities obligated to comply with the trading scheme, based on recommendations of the Bureau of Energy Efficiency (BEE). The Ministry of Environment, Forest, and Climate Change will notify the emission intensity target for obligated entities, upon the recommendation of the Ministry of Power. Emission intensity is the total amount of greenhouse gas emissions emitted for every unit of GDP. Obligated entities will earn carbon credit certificates if they surpass the target assigned to them. The certificate will be issued by the BEE. Obligated entities unable to achieve their target, are required to meet the shortfall by purchasing carbon credit certificates. Non-obligated entities may also register under the scheme and comply voluntarily.

- **Trading of carbon credits**: Carbon credit certificates will be traded on power exchanges registered with the Central Electricity Regulatory Commission (CERC) for this purpose. CERC is designated as the regulator for carbon credit trading activities. The Grid Controller of India Limited (GCIL) is designated as the registry for the scheme. GCIL will: (i) undertake registration of obligated and non-obligated entities, and (ii) maintain records of transactions and shares them with power exchanges and the BEE.

- **Administrative mechanism**: The central government will constitute a National Steering Committee, which is responsible for the governance and oversight of the overall carbon market. The Committee is to be chaired by the Power Secretary, and will have representation from several ministries including Environment and Steel, and government entities including the BEE and GCIL. Key functions of the Committee include making recommendations to the BEE on matters such as: (i) formulation of procedures, rules, and regulations for the carbon market, and (ii) formulation of targets and issuance of carbon credit certificate. The BEE administers the scheme. Its functions include: (i) identifying sectors and potential for reduction of emissions, (ii) developing trajectories and targets for reduction, and (iii) issuing carbon credit certificates.

Amendments to Green Energy Open Access Rules notified

In May 2023, the Ministry of Power notified the Electricity (Promoting Renewable Energy through Green Energy Open Access) (Second Amendment) Rules, 2023.350 The Rules provide a framework for open access to renewable energy (from sources including solar, wind, hydro, and waste-to-energy).351 Open access means allowing a consumer to purchase electricity from a distribution company of its choice. Only consumers with demand or sanctioned load of 100 kilowatt (kW) and above are eligible under this framework (except captive consumers). The amendments added that such consumers will be required to have
the demand or sanctioned load of 100 kW through: (i) a single connection, or (ii) multiple connections aggregating 100 kW or more located in the same electricity division of a distribution licensee.

Under the Rules, consumers with access to green energy (renewable sources) pay a cross subsidy surcharge as per the central government's tariff policy. 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. Earlier, the Rules exempted green energy utilised for production of green hydrogen and green ammonia from cross subsidy and additional surcharge. The amendments removed this waiver. Amendments also added that an additional surcharge will not be applicable to electricity produced and supplied to open access consumers from offshore wind projects, which are commissioned up to 2032.

Guidelines issued for schemes under the National Green Hydrogen Mission

In March 2024, the Ministry of New and Renewable Energy issued guidelines for various schemes under the National Green Hydrogen Mission. The Mission was launched in January 2023 to boost the production and development of green hydrogen. Schemes under the Mission include: (i) research and development (R&D), (ii) incentives for electrolyser manufacturing (a device to convert water into hydrogen and oxygen), (iii) skill development, and (iv) setting up of hydrogen hubs. Key features of the guidelines include the following:

- **R&D scheme**: Financial support (for the cost of the project) will be provided for R&D in areas such as hydrogen production, storage, testing, and transportation. Entities eligible to receive support include academic institutions, R&D institutions, and government institutions/public sector undertakings. Projects are divided into short term (up to five years), mid-term (up to eight years), and long term (up to 15 years), depending on existing capabilities. The scheme has a budgetary outlay of Rs 400 crore till 2025-26.

- **Electrolyser manufacturing**: The scheme provides financial incentives to support domestic manufacturing of electrolysers. It has a total outlay of Rs 4,440 crore, and provides an incentive per kilowatt of manufacturing capacity. Companies must have a net worth of one crore rupees per megawatt of manufacturing capacity to be eligible. Smaller manufacturers (with a net worth of Rs 30 lakh per megawatt or higher) are also eligible under a separate tranche of the scheme.

- **Setting up hydrogen hubs**: Regions that can support large scale production/utilisation of hydrogen will be identified and developed as hydrogen hubs. Support will be provided for core infrastructure such as storage, transport, and water treatment facilities. The scheme has an outlay of Rs 200 crore till 2025-26.

- **Skill development**: This scheme seeks to carry out skilling, and design curricula for schools and higher educational institutions. Individuals aged between 18-45 years, who fulfil the required job criteria, are eligible for training. Training institutes include higher education institutions, PM Kaushal Kendras, and industrial enterprises. The outlay for the scheme is Rs 35 crore until 2029-30.

**R&D roadmap for green hydrogen released**

In October 2023, the Ministry of New and Renewable Energy released an R&D roadmap for a green hydrogen ecosystem in India. This roadmap has been proposed under the National Green Hydrogen Mission. The Mission has been set up to promote green hydrogen and its derived products such as green ammonia and green methanol. The roadmap has identified R&D projects in the areas of green hydrogen production, storage, transport, end-use applications, and safety. It focuses on developing new materials, technologies, and infrastructure to improve the efficiency, reliability, and cost-effectiveness of green hydrogen.

The roadmap seeks to facilitate a public-private partnership framework for R&D. It recommended setting up a dedicated R&D fund and attracting venture capital. It proposed to establish centres of excellence in the area of green hydrogen. It has also recommended fostering a network of industry, academia, and government, to ensure seamless transfer and commercialisation of new technology.

**Tariff regulations for generation and transmission notified**

In March 2024, the Central Electricity Regulatory Commission (CERC) notified the CERC (Terms and Conditions of Tariff) Regulations, 2024. These Regulations were notified under the Electricity Act, 2003, which regulates generation, transmission, and distribution of power. The 2024 Regulations apply to tariff determination by CERC in cases of: (i) purchase of power from central public sector generators and other generators operating in more than one state, and (ii) use of inter-state transmission systems. The 2024 Regulations are applicable from April 2024 to March 2029. Several aspects in the 2024 Regulations are similar to the 2019 Regulations, which were applicable between April 2019 and March 2024. Key features of the 2024
Regulations are:

- **Rate of return:** The CERC sets a tariff structure that provides for a fixed rate of return on investments besides recovering all other costs incurred.

<table>
<thead>
<tr>
<th>Project category</th>
<th>Existing Projects</th>
<th>Projects commissioned on or after April 1, 2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transmission</td>
<td>15.5%</td>
<td>15.0%</td>
</tr>
<tr>
<td>Thermal power</td>
<td>15.5%</td>
<td>15.5%</td>
</tr>
<tr>
<td>Hydro power</td>
<td>15.5%</td>
<td>15.5%</td>
</tr>
<tr>
<td>Storage-type hydro power including pump storage systems</td>
<td>16.5%</td>
<td>17.0%</td>
</tr>
</tbody>
</table>

Sources: CERC; PRS.

- **Capital costs:** Power tariff has two parts, fixed and variable. Fixed costs include return on investment, depreciation, and interest on capital. Capital costs for a project include any capital cost approved by CERC, including capital expenditure on account of modernisation. The Regulations added that capital costs for existing thermal power projects also include expenditure on account of biomass handling equipment, and any changes in law. For new projects, these costs were already included under the 2019 Regulations, and the 2024 Regulations have maintained that. For hydro projects, capital costs also include spending towards developing local infrastructure (up to Rs 10 lakh per megawatt of installed capacity).

**ISTS charges waived for offshore wind and green hydrogen/ammonia projects**

In May 2023, the Ministry of Power notified the complete waiver of inter-state transmission (ISTS) charges for 25 years for: (i) offshore wind power projects commissioned on or before December 31, 2032, and (ii) green hydrogen and green ammonia projects commissioned on or before December 31, 2032. The waiver is available to only those green hydrogen and green ammonia projects which use renewable energy, pumped storage, or battery storage systems. Projects commissioned after the cut-off date for the complete waiver will attract graded charges, ranging from 25% to 100% based on the date of commissioning. In February 2023, a similar waiver was made available for solar, wind, hydro-based pump storage and battery storage system projects. The waiver for wind power projects was made available for projects commissioned on or before June 30, 2025.

The complete waiver of ISTS charges for Pump Storage Systems (PSP) has been linked to the date of award of project. Earlier, it was linked to the commissioning date. This change is applicable for cases where construction work has been awarded on or before June 30, 2025.

For energy storage system projects, the complete waiver of ISTS charges has been made applicable at the user level. Earlier, it was applicable at the project level. The waiver is available if at least 51% of the total energy utilised by a user for charging the storage system is renewable energy.

**Guidelines on power procurement from wind-solar hybrid projects through competitive bidding released**

In August 2023, the Ministry of Power issued guidelines on power procurement from wind-solar hybrid projects through competitive bidding. The guidelines have been issued under the Electricity Act, 2003. Hybrid power projects combine different renewable energy sources to reduce variability in output. Key features include:

- **Eligibility:** To be eligible for competitive bidding, the rated power capacity of one resource (wind or solar) must be at least 33% of the total capacity of the hybrid power project. The minimum size of a bid must be: (i) 10 megawatts (MW) for projects connected to intra-state transmission system, and (ii) 50 MW for projects connected to inter-state transmission system. The solar and wind components of the project may be at different locations. The project may have storage capacity. Entities eligible to procure power from these projects include power distribution companies. Power procured through this process may be used to fulfil the renewable purchase obligation.

- **Terms of bidding:** A maximum of 50% of the total capacity specified in the bidding document can be allocated to a single bidder. Capacity will be filled from two or more bidders in the ascending order of the tariff bid.

- **Power Purchase Agreement (PPA):** The procurer must issue a draft PPA in the standard bidding documents. The term of the PPA will generally be for 20-25 years. The draft PPA must include: (i) adequate payment security and (ii) penalty for the procurer in case of failure to off-take power scheduled by the generation company.

- **Generators are required to compensate procurers in case there is a shortfall in supply as compared to what was agreed upon in the PPA. In case of excess generation, the hybrid generating company may sell the surplus energy to any entity. However, the procurer has the right of first refusal.**
Scheme for pooling power from central thermal gencos with expired PPAs notified

In April 2023, the Ministry of Power notified a scheme to pool power from coal and gas-based power generating stations owned by the central government, whose power purchase agreements (PPAs) have expired.866 These plants are older than 25 years and had entered long-term bilateral agreements with distribution licensees (discoms) to supply power. The scheme seeks to create a common pool of the installed capacity of all such plants for allocating capacity to discoms and determining tariff. Capacity of eligible plants will be added to this pool, as and when their PPAs expire. The Ministry observed that this is to ensure that such freed-up capacity does not remain idle, given the continued dependence on conventional power for meeting peak demand and grid stability. It added that these plants are capable of operating at high efficiency with improvements in operation and maintenance practices. Also, with their capital expenditure recovered and fully depreciated, these plants can provide power at competitive rates. Key features of the scheme are:

- **Procurement from the common pool**: The Ministry of Power allocates power to discoms based on the requisition received from them. Discoms will have to enter into a PPA of at least five years for procuring power from the common pool.

- **Tariffs**: Uniform capacity charges and energy charges are payable for procuring power from the common pool.

- **Treatment of unallocated power**: Participating gencos can sell their share of unallocated power in the common pool through alternate arrangements such as power exchanges. Their existing fuel supply agreements can be used for supplying the unallocated power through such arrangements.

Guidelines for resource adequacy planning notified

In June 2023, the Ministry of Power issued guidelines on resource adequacy planning for the electricity sector, in consultation with the Central Electricity Authority (CEA). Resource adequacy planning determines the best mix of optimal capacity to meet electricity demand reliably 24x7, at the lowest cost possible. Key features of the guidelines are:

- **Long-term national plan on resource adequacy**: The CEA will publish a long-term National Resource Adequacy Plan. This plan will determine the optimal capacity requirement at the national level to ensure reliable supply. It will specify state-wise contribution towards the national peak.

Further, the plan will provide for an optimal generation mix for 10 years. This is to ensure there are resources available to meet national level system requirements at least cost. This plan will be updated annually.

- **Resource adequacy planning by discoms**: Based on the share in the national peak electricity demand, capacities will be planned. Each distribution licensee (discom) will be required to contract capacities to meet its share of national peak demand or higher. Only resources with long-term, medium-term, and short-term contracts will be considered for this purpose. Power procured through power exchanges will not be considered under resource adequacy planning. The share of long-term contracts will be 75-80% and that of medium-term contracts will be 10-20%. The recommended share may be altered by the State Electricity Regulatory Commissions.

- **Further, each discom will undertake a Resource Adequacy Plan for a 10-year horizon. This plan will be vetted by the CEA and must be approved by the State Electricity Regulatory Commission.**

- **Short-term plans on resource adequacy**: The National Load Despatch Centre (NLDC) will publish a yearly short-term National Resource Adequacy Plan. This will provide for parameters such as demand forecasts, planned maintenance schedules, station-wise historic outage rates, and decommissioning of generators. The State Load Despatch Centres will create a yearly plan for short-term distribution resource adequacy based on the national level plan developed by NLDC.

**Framework for promoting energy storage systems released**

In September 2023, the Ministry of Power released the National Framework for Promoting Energy Storage Systems. As electricity generation from renewable sources varies significantly, energy storage systems are used to store any surplus generation for ensuring reliable supply. India targets to have 50% cumulative installed capacity from non-fossil energy sources by 2030. Energy storage systems will be crucial for integrating renewable energy capacity at this scale. The framework recommended following key measures:

- **Regulatory measures**: To ensure the financial and commercial viability of energy storage systems, certain regulatory measures have been proposed. These include: (i) framing power purchase guidelines to incentivise energy storage systems, and (ii) providing energy storage systems with carbon credits where they utilise renewable energy for
charging. New renewable energy projects over five megawatts should be required to install energy storage systems for at least 5% of their renewable energy capacity.

- **Financial incentives:** Viability gap funding up to 40% of the capital cost for the battery energy storage systems should be provided (provided that the project is commissioned within 18-24 months). PLI scheme should be formulated for incentivising domestic manufacturing of energy storage systems and ancillary components. The framework also proposed a waiver of stamp duty and registration fees for land used to set up energy storage systems.

- **Technology-agnostic bidding:** The competitive bidding guidelines for projects should not give preferential treatment to certain technologies.

- **Recycling and sustainability:** All bidding documents should have an end-of-life management plan. These plans should promote repurposing or reusing old batteries.

### National Electricity Plan for generation released for 2022-32

In May 2023, the Central Electricity Authority (CEA) released the National Electricity Plan (NEP) for 2022-32. The CEA is required to formulate such a plan once in five years under the Electricity Act, 2003. The Plan provides a review of the last five years (2017-22), capacity addition requirements for 2022-27, and projections for the period 2027-2032. Key features of the plan are as follows:

- **Projected installed capacity:** As of March 31, 2022, India’s installed capacity was about four lakh megawatts. Coal, renewable energy sources, and nuclear constitute 51%, 39%, and 2% of the installed capacity, respectively. The projected capacity addition during 2027-32 to meet the peak demand for 2031-32 is about three lakh megawatts.

- **Additional coal capacity:** Apart from the under-construction coal capacity of about 27,000 MW, the additional coal capacity required till 2031-22 may vary from 19,000 MW to 27,000 MW.

- **Installed capacity from renewable sources:** The Plan noted that India has significant potential of generation from renewable energy sources. Renewable energy is expected to contribute to about 35% of the energy mix by 2026-27 and rise to 44% by 2031-32. It recommended that measures should be taken to attract private sector and more funds should be allocated to support research and development in the renewable sector.

- **Targets for 2017-22 not met:** Target capacity addition for 2017-2022 could not be achieved mainly due to the COVID-19 pandemic. Under the National Electricity Plan, 2018, the target for scheduled generation capacity addition from conventional sources (coal, gas, nuclear) was about 30,000 MW for 2017-22. However, the actual capacity added was only about 30,000 MW (59% of the set target).

### Group constituted by Power Ministry recommended sectoral reforms

In May 2023, a Group constituted by the Ministry of Power released its report on ‘Development of Electricity Market in India’. The group was constituted to recommend certain reforms for the development of the electricity market of India. The group highlighted several issues in the power sector in India including: (i) dominance of inflexible long-term power purchase agreements, (ii) need for resource adequacy planning at the central and state level, (iii) need to increase the share of renewables in the overall energy mix, and (iv) need to encourage market participation for renewable energy.

Key recommendations made by the group include: (i) setting up a mechanism to monitor adequacy of supply by state utilities, and (ii) introducing a market-based mechanism for secondary reserves. Further, a regional level balancing framework for deviation management should be implemented for reducing deviation penalties for states at the inter-state transmission system level. The report of the group is not available in the public domain.

### White paper on the introduction of Distributed System Operators released

In July 2023, the Department of Science and Technology released a white paper on the introduction of Distribution System Operators (DSO) in the power sector. The paper observed that the adoption of distributed energy resources such as rooftop solar panels, wind farms, and electric vehicles is crucial for the transition to cleaner sources of energy. However, integrating them presents new challenges for managing the grid due to increased uncertainty in generation and load patterns. With rooftop solar panels, many consumers can also act as producers and inject electricity into the grid.

With these changes, the distribution system needs to be transformed with a two-way flow of information between operators and consumers, and increased automation. The paper observed the need to introduce an entity called Distribution System Operator to manage these concerns for the
distribution system. Key observations and recommendations include:

- **Functions of DSOs**: Functions of DSOs may include: (i) forecasting of distributed energy resources as well as overall load, (ii) network planning, operation, and control, (iii) scheduling of supply, and (iv) billing and collection. The exact functions will depend on the adopted regulatory framework. Currently, many of these functions are performed by: (i) distribution utilities (discoms), which purchase power from generators and supply it to consumers, and (ii) State Load Despatch Centres (SDLCs) which schedule and despatch supply from generators, and are responsible for integrated operation of the grid.

- With the wider adoption of distributed energy resources, peer-to-peer and localised electricity markets may flourish. DSOs could also facilitate such markets.

- **Approaches to introducing DSOs**: The paper observed that DSOs may be introduced as: (i) a separate entity, or (ii) entrusting discoms or area-level load despatch centres with the distribution system operation functions. It observed that the introduction of DSOs should be possible without segregating network and supply businesses in the distribution segment. Currently, a single entity owns the distribution network and business of supply to consumers.

### Civil Aviation

**Export policy for civilian use drones liberalised**

In June 2023, the Directorate General of Foreign Trade liberalised the policy for the export of drones/unmanned aerial vehicles (UAVs) meant for civilian use.374–375 Earlier export of all drones/UAVs were regulated as per the Special Chemicals Organisms Materials, Equipment, and Technology (SCOMET) list. This applies to items which have both civilian and military applications. Export of items under the list may require authorisation.376 With the liberalised policy, drones/UAVs with a range of up to 25 km and with a payload of up to 25 kg may be exported under the general authorisation for the export of drones. These should also be meant for civilian use only. This may be done with a one-time general license which is valid for three years.

**National Civil Aviation Policy, 2016 amended**

In July 2023, the Ministry of Civil Aviation amended the National Civil Aviation Policy, 2016.377 The Policy provides for the upgrade and modernisation of air navigation services.378

As per the Policy, all Indian registered aircrafts from January 1, 2019 onwards must be enabled with GPS Aided GEO Augmented Navigation (GAGAN). GAGAN uses ground stations to augment the navigation system.379 The amendment exempts two categories of aircrafts from having GAGAN. This includes aircrafts that cannot be made GAGAN compliant due to technology challenges, and aircrafts that have been manufactured prior to July 1, 2021.

**UDAN 5.1 for helicopter routes launched**

In May 2023, the Ministry of Civil Aviation launched round 5.1 of the Regional Connectivity Scheme (RCS) – Ude Desh ka Aam Nagrik (UDAN).380 The scheme seeks to enhance connectivity to remote areas of the country and achieve last mile connectivity through helicopters. It facilitates regional air connectivity by making it affordable. Previous rounds of the scheme provided viability gap funding for airlines and capped airfare for flights operating on specified routes. Earlier, both the origin and destination locations had to be in priority areas for a route to be allowed under RCS.

Key features of the UDAN 5.1 include: (i) expansion of operational scope by allowing routes with either the source or destination being the priority area location, (ii) reduction in helicopter airfare caps by 25%, and (iii) an increase in viability gap funding caps for single and twin-engine helicopters. As per the Ministry, greater helicopter use will help boost tourism, hospitality, and local economies. As of March 31, 2024, eight routes have been operationalised under RCs-UDAN 5.1.381 A total of 559 routes have commenced under all rounds of the scheme, 60 of which are helicopter routes.

**Aircraft Security Rules, 2023 notified**

The Ministry of Civil Aviation notified the Aircraft Security Rules, 2023 in August 2023. The Rules have been made under the Aircraft Act, 1934, and they replace the Aircraft Security Rules, 2011.382,383 Key features of the 2023 Rules are as follows:

- **Use of private security agencies**: Private security personnel, authorised by the Director General will be engaged to ensure security. The number and training standards of the private security personnel is to be determined by the central government.

- **Powers of Commissioner transferred to DG**: Under the 2023 Rules, the Director General of the Bureau of Civil Aviation Security (BCAS) has been made responsible for (i) developing and maintaining the national civil aviation
security programme, (ii) coordinating activities between departments, and (iii) designating authorities at aerodromes to implement security controls and procedures. Under the 2011 Rules, the Commissioner of the BCAS was responsible for these functions. The Aircraft Act, 1934 was amended in 2020 which made the BCAS a statutory body and specified that the DG would head it. The 2023 Rules specify additional functions for the DG, such as arranging for security audits.

- **Penalties for certain violations:** Aircraft operators are required to carry out certain activities. Failure to undertake them will be considered an offence. Such activities include: (i) developing a security programme, and (ii) commencing aircraft operations with approval from the DG. Additionally, carrying weapons, firearms, ammunition, or explosives to an airport or aircraft is also an offence. Offences are punishable with imprisonment of up to two years, or a fine of up to one crore rupees or both. They also specify amounts for compounding certain offences.

- **Measures against cyber threats:** Entities such as aerodrome and aircraft operators, or a ground handling agency will identify critical information, and develop security measures to detect unauthorised access and use of such information, and protect against access.

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**Amendments to Aircraft rules notified**

The Ministry of Civil Aviation notified amendments to the Aircraft Rules, 1937, in October 2023. The 1937 Rules have been notified under the Aircraft Act, 1934. The Rules provide for licensing various aviation personnel including pilots, air traffic controllers, and aircraft maintenance engineers. Key amendments are:

- **Extension of license validity:** The validity of the license to operate aircraft for airline transport pilots and commercial pilots has been increased from five to 10 years. The validation of foreign licences for operating is cancelled.

- **Display of false lights:** The 1937 Rules prohibit the display of any light which may be mistaken for an aeronautical ground light or beacon in a five-kilometre radius of an aerodrome. The amended Rules increase the radius where such lights are prohibited from five kilometres to around nine kilometres (five nautical miles). The period to extinguish such lights after notice is served has been reduced from seven days to 24 hours. It also specifies that such lights will include lantern lights, wish kites, and laser lights.

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**Petroleum**

**Cabinet approved revised domestic gas pricing guidelines**

The Cabinet Committee on Economic Affairs approved revised domestic natural gas pricing guidelines in April 2023. These guidelines amended the New Domestic Gas Pricing Guidelines, 2014. The guidelines are applicable to gas produced from: (i) nomination fields of Oil and Natural Gas Corporation/Oil India Limited (ONGC/OIL), (ii) New Exploration Licensing Policy (NELP) blocks, and (iii) pre-NELP blocks where the Production Sharing Contract (PSC) requires government approval for prices. Nomination blocks refers to blocks allocated by the government (without bidding). NELP refers to blocks auctioned by the government through competitive bidding. A PSC determines the amount of oil and gas to be sold to the government at specified prices.

Domestic natural gas prices now comprise 10% of the Indian Crude Basket Price. Under the 2014 Guidelines, domestic natural gas prices were not part of the Indian Crude Basket Price. The Indian Crude Basket is the average price at which India imports crude oil. It is based on imports from various sources around the world. The Administered Price Mechanism (APM) price for gas produced by ONGC/OIL is now subject to an initial floor and ceiling price of $4/Million British Thermal Units (MMBTU) and $6.5/MMBTU respectively. The ceiling will be maintained for two financial years and then increased by $0.25/MMBTU each year. APM refers to a framework in which the government sets the prices for specified commodities. Gas produced by new wells or well intervention in nomination fields (blocks awarded to ONGC/OIL on a nomination basis) are now allowed to be priced at a 20% premium on APM prices where APM prices are subject to floor and ceiling pricing regulations. APM prices are calculated as the average of daily prices of the India Crude Basket price each month. These prices are declared by the Petroleum Planning and Analysis Cell (PPAC) on a monthly basis.

Under the 2014 guidelines, prices were determined based on volume weighted prices of four gas trading hubs: (i) Henry Hub, (ii) Albena, (iii) National Balancing Point (UK), and (iv) Russia. As per the Ministry, this pricing structure had a significant time lag and was highly volatile. The new guidelines linked gas prices to Indian crude which is more relevant to India’s consumption.
Petroleum Rules amended to regulate import of petroleum and ISO containers by air

The Ministry of Petroleum and Natural Gas notified the Petroleum (Amendment) Rules, 2024 in March 2024. The Rules amended the Petroleum Rules, 2002. The Rules have been made under the Petroleum Act, 1934, which regulates the import, transport, storage, refinement and blending of petroleum. The amended Rules restrict the import of petroleum by air and the import of ISO tank containers. ISO tank containers are a type of petroleum freight container used for the transport of liquefied petroleum. Key features include the following:

- **Restriction on the import of ISO tank containers:** The amended Rules prohibit the import of such containers unless permission has been obtained from the Controller or Chief Controller of Explosives. Persons seeking such permission must furnish certain information. This includes manufacturer’s inspection and documents detailing the design of the container. However, these rules do not apply to ISO containers that contain petroleum imported for research and development.

- **Restriction on the import of petroleum by air:** The amended Rules restrict the import of petroleum by air, except to airports authorised by the central government in consultation with the Chief Controller of Explosives. To import petroleum, the licencee will have to declare the import of petroleum prior to its import to the officer in charge of the airport and to the Commissioner of Customs. Persons seeking the permission to import petroleum by air must furnish certain information. This includes: (i) an import declaration, (ii) a copy of their licence, and (iii) a landing permit by the Director General of Civil Aviation. The permission of the Commissioner of Customs will be required to unload the petroleum.

Bharat New Car Assessment Programme for assessing crash safety of cars notified

In September 2023, the Ministry of Road Transport and Highways notified the Bharat New Car Assessment Program (BNCAP). The Program assesses the safety rating of M1 category vehicles. M1 vehicles weigh up to 3.5 tonnes and can carry up to eight passengers (excluding the driver). The vehicles will be examined and assessed for star rating in accordance with Automotive Industry Standard (AIS) 197. The Draft AIS 197 specifies that overall vehicle safety assessment will be based on: (i) adult occupant protection, (ii) child occupant protection, and (iii) safety assist technologies. The program has been made applicable for vehicles from October 1, 2023.

Validity of fitness certificates for transport vehicles increased

In September 2023, the central government amended Rules that issue fitness certificates to transport vehicles. A fitness certificate is proof that the vehicle is safe and fit for use on the road. A transport vehicle includes a light motor vehicle, a public service vehicle, a goods carriage, and educational institution bus or a private service vehicle. Under the 1989 Rules, the validity of the fitness certificate for transport vehicles was one year. The amendments increase the validity period to two years for vehicles that are up to eight years old. Only automated testing stations should issue fitness certificates for: (i) heavy goods vehicles, (ii) heavy passenger motor vehicles, (iii) medium goods vehicles, and (iv) light motor. The new rules will be applicable from October 1, 2024.

Automated Testing Station

In March 2024, the central government amended Rules for automated testing stations. These facilities test the fitness of transport vehicles. The Act empowers the central government to recognise and regulate automated testing stations. Key features of the amendments include:

- **Registration certificates for operators to be transferable:** Under the Rules, automated testing stations require a registration certificate to commence operations. The certificate was non-transferable. The amendments allow the transfer of the certificate between operators after six months from the date of its issuance.

- **Eligibility of owners to open testing stations:** Under the earlier Rules, owners or operators of automated testing stations were required to have a net worth of at least three crore rupees. The amendments removed this requirement.

- **Re-testing for vehicles:** Under the earlier Rules, if a vehicle failed the fitness test, the owner could apply for a retest within 30 days
from the initial test. The amendments extend the window to 180 days, also allowing multiple re-tests.

- **Removal of appellate authority to appeal against test results**: Earlier, the Rules provided for an appellate authority to address grievances arising from test results. The authority consisted of an officer, at a Regional Transport Officer level. The amendments removed the provision for an appellate authority. They instead require the Regional Transport Officer to ensure efficient operations of the station and the integrity of test results.

- **Application to light motor vehicle**: The Rules provide for testing of light, medium and heavy commercial vehicles. The amendments expand the scope to include non-commercial light motor vehicles.

- **Testing stations to not conduct vehicle scrapping**: Automated testing stations can only conduct vehicle fitness tests. They are prohibited from providing services related to repair, manufacture, or sale. The amendments add that these stations will also be prohibited from providing any vehicle scrapping services.

**Air-conditioned cabins mandated in goods transport vehicles**

In December 2023, the Ministry of Road Transport and Highways made it mandatory for certain good transport vehicles to be fitted with air-conditioned cabins.\(^{(401)}\) This refers to vehicles that are manufactured on or after 18 months since December 2023, and whose weight is between 3.5 and 12 tonnes.\(^{(402)}\) For drive away chassis, i.e., a vehicle frame that can be driven, the chassis manufacturer must supply an air conditioning system kit as per specified standards.

**Vehicle scrapping rules amended**

In March 2024, the Ministry of Road Transport and Highways notified amendments to the Central Motor Vehicles (Registration and Functions of Vehicle Scrapping Facility) Rules, 2021.\(^{(403,404)}\) The Rules have been made under the Motor Vehicles Act, 1988.\(^{(405)}\) The Act provides for registration of motor vehicles. The Rules provide for scrapping end of life vehicles. Key features of the amendments are:

- **Obtaining consent to establish**: Vehicle scrapping facilities must obtain consent before establishing a facility. The amendments change the authority that will provide this consent from the Transport Commissioner of a state government, to the State Pollution Control Board. Under the Rules, a facility could be established once an application has been made for obtaining consent. The amendments remove this.

- **Obtaining consent to operate**: Under the 2021 Rules, scrapping facilities were required to obtain a consent to operate from the State Pollution Control Board within six months of beginning operations. The amendments provide that the facilities must apply for a consent to operate at least 60 days before beginning operations.

- **Transfer of registration**: Under the 2021 Rules, registration of scrapping facilities was non-transferable. The amendments allow the transfer of registration.

- **Certificate of deposit**: The scrapping facility issues a Certificate of Deposit to a vehicle owner. The certificate acknowledges the transfer of ownership of the vehicle. The certificate is mandatory for vehicle owners to avail incentives and benefits while purchasing a new vehicle. It is electronically tradeable. The amendments extend the validity of the certificate from two years to three years. Certificates issued to government owned vehicles or impounded vehicles will not have any incentives. These certificates will also not be electronically tradeable.

### Shipping

**Vision document on logistics, infrastructure and shipping released for 2047**

The Ministry of Ports, Shipping and Waterways released the Amrit Kaal Vision 2047 for Logistics, Infrastructure and Shipping, in December 2023.\(^{(406)}\) The Document seeks to promote maritime governance that ensures coordination between stakeholders, administrative authorities, and coastal communities. It identified 11 key themes, under which action points have been developed. These include: (i) enhancing India’s tonnage, (ii) enhancing efficiency through technology and innovation, (iii) developing world class ports, (iv) becoming a global player in shipbuilding, repair and recycling, (v) enhancing modal share of coastal shipping and inland water transport, and (vi) promoting ocean, coastal and river cruise sector.

The Document also laid down strategic aspirations for Amrit Kaal Vision 2047. Some aspirations are listed below:
Table 16: Certain strategic aspirations under the Amrit Kaal Vision 2047 for Logistics, Infrastructure and Shipping

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Current status</th>
<th>2047 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carbon neutral ports</td>
<td>0</td>
<td>14</td>
</tr>
<tr>
<td>India’s rank of passenger volume in Asia Pacific</td>
<td>4th</td>
<td>1st</td>
</tr>
<tr>
<td>Global rank in ship recycling</td>
<td>2nd</td>
<td>1st</td>
</tr>
<tr>
<td>Global rank in ship building</td>
<td>22nd</td>
<td>Top 5</td>
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<td>Number of cruise terminals</td>
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<tr>
<td>Number of operational waterways</td>
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<td>50+</td>
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<tr>
<td>Number of trans-shipment hub</td>
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<td>3</td>
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<tr>
<td>Number of new major ports</td>
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<td>2</td>
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<tr>
<td>Ports with just-in-time arrival</td>
<td>0%</td>
<td>100%</td>
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<tr>
<td>Cargo volume handled by waterways*</td>
<td>109</td>
<td>Greater than 500</td>
</tr>
<tr>
<td>Overall port handling capacity*</td>
<td>2,500+</td>
<td>10,000+</td>
</tr>
</tbody>
</table>

Note: * refers to million metric tonnes per annum. Sources: Ministry of Ports, Shipping and Waterway; PRS.

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