# Monthly Policy Review

## March 2019

## Highlights of this Issue

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Current Account Deficit in the third quarter (Oct-Dec) of 2018-19 increased to USD 16.9 billion (2.5% of GDP) from USD 13.7 billion (2.1% of GDP) in the corresponding quarter of 2017-18.

### Aadhaar (Amendment) Ordinance promulgated (p. 2)
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### Central Educational Institutions Ordinance promulgated (p. 3)
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### Four other Ordinances promulgated (p. 3, 4, 9)
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### Constitution (Application to Jammu and Kashmir) Amendment Order issued (p. 9)
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April 1, 2019

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# Macroeconomic Development

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## Current Account Deficit at 2.5% of GDP during the third quarter of 2018-19

India's Current Account Deficit (CAD) in the third quarter (October – December) of 2018-19 increased to USD 16.9 billion (2.5% of Gross Domestic Product) from USD 13.7 billion (2.1% of GDP) in the corresponding quarter of 2017-18.[1] CAD in the previous quarter, i.e., the second quarter (July – September) of 2018-19 was USD 19.1 billion (2.9% of GDP). The year-on-year increase in CAD was primarily due to a higher trade deficit (the difference between a country's exports and imports) of USD 49.5 billion in the third quarter of 2018-19, as compared to USD 44 billion in the previous year.

The capital account surplus was USD 13.6 billion, decreasing from USD 22.5 billion in the third quarter of 2017-18. The decrease is due to outflow of USD 2.1 billion of foreign portfolio investment, as compared to an inflow of USD 5.3 billion in the previous year, tempered by increase in foreign direct investment to USD 7.5 billion, as compared to USD 4.3 billion in the previous year.

As a result, there was a depletion of USD 4.3 billion in foreign exchange reserves, as compared to an accretion of USD 9.4 billion in the corresponding quarter of the previous year.

Table 1 shows India's balance of payments in the third quarter of 2018-19.

**Table 1: Balance of Payments, Q3 2018-19 (USD billion)**

| | Q3 2017-18 | Q2 2018-19 | Q3 2018-19 |
|---|---|---|---|
| Current Account | -13.7 | -19.1 | -16.9 |
| Capital Account | 22.5 | 16.3 | 13.6 |
| Errors and Omissions | 0.6 | 0.9 | -1.0 |
| Change in reserves | 9.4 | -1.9 | -4.3 |

Sources: Reserve Bank of India; PRS.

# Law and Justice

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## Aadhaar and Other Laws (Amendment) Ordinance promulgated

The Aadhaar and Other Laws (Amendment) Ordinance, 2019 was promulgated.[2] It amends the Aadhaar Act, 2016, the Indian Telegraph Act, 1885, and the Prevention of Money Laundering Act, 2002. The Aadhaar Act provides targeted delivery of subsidies and benefits to individuals residing in India by assigning them unique identity numbers, called Aadhaar numbers. In September 2018, the Supreme Court struck down certain provisions of the Aadhaar Act, including those in relation to mandatory linking of Aadhaar with bank accounts and mobile phones. Previously, a similar Bill was passed by Lok Sabha on January 4, 2019.[3] Key features of the Ordinance include:

- **Offline verification:** Under the Aadhaar Act, an individual's identity may be verified by Aadhaar 'authentication'. Authentication involves submitting the Aadhaar number, and their biometric or demographic information. The Ordinance additionally allows 'offline verification' of an individual's identity, without authentication, through modes specified by the Unique Identification Authority of India by regulations.
- **Voluntary use:** The Act provides for the use of Aadhaar number as proof of identity of a person, subject to authentication. The Ordinance replaces this provision to state that an individual may voluntarily use his Aadhaar number to establish his identity, by authentication or offline verification. Such use of Aadhaar must be permitted by an Act of Parliament. Further, mandatory use of Aadhaar for authentication requires an Act of Parliament.
- The Ordinance allows banks and telecom companies to verify the identity of their clients by: (i) authentication or offline verification of Aadhaar, (ii) passport, or (iii) any other documents notified by the central government. The client has the choice to use any of these modes to verify his identity and no person shall be denied any service for not having an Aadhaar number.
- **Disclosure of information in certain cases:** Under the Act, information on Aadhaar may be disclosed on the order of a District Court (or above) or when made in the interest of national security, by a designated officer of the rank of Joint Secretary (or above). The Ordinance amends this to allow such disclosure only on orders of High Courts (or above), and Secretary to GOI, respectively.
- **Aadhaar number of Children:** The Ordinance specifies that at the time of enrolling a child to obtain an Aadhaar number, the enrolling agency shall seek the consent of his parent or guardian. Further, it

specifies that after attaining eighteen years of age, the child may opt out of Aadhaar.

For a PRS summary of the Ordinance, see here.

### New Delhi International Arbitration Centre Ordinance promulgated

The New Delhi International Arbitration Centre Ordinance, 2019 was promulgated.[4] It seeks to establish an autonomous and independent institution for better management of arbitration in India. Previously, a similar Bill was passed by Lok Sabha on January 4, 2019.[5] Key features of the Ordinance include:

- **New Delhi International Arbitration Centre (NDIAC):** The Ordinance provide for the setting up of the NDIAC to conduct arbitration, mediation, and conciliation proceedings. It declares the NDIAC as an institution of national importance.
- **International Centre for Alternative Dispute Resolution (ICADR):** The ICADR is a registered society to promote the resolution of disputes through alternative dispute resolution methods (such as arbitration and mediation). The Ordinance seeks to transfer the existing ICADR to the central government. Upon notification by the central government, all the rights, title, and interest in the ICADR will be transferred to the NDIAC.
- **Composition:** The NDIAC will consist of seven members including: (i) a Chairperson who has been a Judge of the Supreme Court or a High Court, or an eminent person with special knowledge and experience in the conduct or administration of arbitration, (ii) two eminent persons with knowledge and experience in institutional arbitration, (iii) three ex-officio members, including a nominee from the Ministry of Finance and a Chief Executive Officer, and (iv) a representative from a recognised body of commerce and industry, appointed as a part-time member, on a rotational basis.
- **Objectives and functions of the NDIAC:** The key objectives of the NDIAC include (i) promoting research in alternative dispute resolution matters, (ii) providing facilities and administrative assistance for conducting arbitration, mediation and conciliation proceedings, and (iii) maintaining a panel of accredited arbitrators, mediators and conciliators.
- Key functions of the NDIAC include: (i) facilitating conduct of arbitration and conciliation in a timely and cost-effective manner, and (ii) promoting studies in the field of alternative dispute resolution.
- **Institutional support:** The Ordinance specifies that the NDIAC will establish a Chamber of Arbitration which will maintain a permanent panel of arbitrators.

For a PRS summary of the Ordinance, see here.

### Cabinet approves promulgation of amendments to regulations for civil courts in two Union Territories

The Union Cabinet approved the promulgation of the Daman and Diu Civil Courts (Amendment) Regulation, 2019, and the Dadra and Nagar Haveli (Civil Courts and Miscellaneous Provisions) Amendment Regulation, 2019.[6] The amendments include an increase in the pecuniary jurisdiction of civil courts in the two Union Territories. Details of these amendments are not available in the public domain.

## Education

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### Ordinance to provide for reservation of teaching posts in central educational institutions promulgated

The Central Educational Institutions (Reservation in Teachers' Cadre) Ordinance, 2019 was promulgated.[7] The Ordinance provides for reservation of teaching positions in central educational institutions for persons belonging to the Scheduled Castes, Scheduled Tribes, and the socially and educationally backward classes.

- **Reservation of posts:** The Ordinance provides for reservation of posts in direct recruitment of teachers (out of the sanctioned strength) in central educational institutions. For the purpose of such reservation, a central educational institution will be regarded as one unit. Previously, each department within a central educational institution was regarded as a unit.
- **Coverage and exceptions**: The Ordinance will apply to 'central educational institutions' which include universities set up by Acts of Parliament, institutions deemed to be a university, institutions of national importance, and institutions receiving aid from the central government.

- However, it excludes certain institutions of excellence, research institutions, and institutions of national and strategic importance which have been specified in the Schedule to the Ordinance. It also excludes minority education institutions.

For a PRS summary of the Ordinance, see here.

## Health and Family Welfare

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### The Homoeopathy Central Council (Amendment) Ordinance promulgated

The Homoeopathy Central Council (Amendment) Ordinance, 2019 was promulgated.[8] It amends the Homoeopathy Central Council Act, 1973 which sets up the Central Council of Homoeopathy. The Central Council regulates homoeopathic education and practice.

The 1973 Act was amended in 2018 to provide for the supersession of the Central Council. The Central Council was required to be reconstituted within one year from the date of its supersession. In the interim period, the central government constituted a Board of Governors, to exercise the powers of the Central Council. The Ordinance amends the Act to increase the time period for supersession of the Central Council from one year to two years.

For a PRS summary of the Ordinance, see here.

### Cabinet approves continuation of the National AIDS Control Programme IV till March 2020

The Cabinet Committee on Economic Affairs approved the continuation of the National AIDS Control Programme-IV (NACP IV) for a period of three years from April 2017 to March 2020.[9] An outlay of Rs 6,435 crore has been approved for the same. The main objectives of NACP IV are to: (i) reduce new infections by 50% (baseline of 2007), and (ii) provide comprehensive care and support to all persons living with HIV/AIDS and treatment services for all those who require it.

## Commerce

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### The Special Economic Zones (Amendment) Ordinance promulgated

The Special Economic Zones (Amendment) Ordinance, 2019 was promulgated.[10] It amends the Special Economic Zones Act, 2005 which provides for the establishment, development and management of Special Economic Zones for the promotion of exports.

Under the Act, the definition of a person includes an individual, a Hindu undivided family, a company, a co-operative society, a firm, or an association of persons. The Ordinance adds two more categories to this definition by including a trust, or any other entity which may be notified by the central government.

For a PRS summary of the Ordinance, see here.

## Information Technology

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### Ministry releases National Policy on Software Products 2019

The Ministry of Electronics and Information Technology (MeitY) released the National Policy on Software Products 2019.[11] The Union Cabinet had earlier approved the policy.[12] The policy aims to develop India as a global software product hub. Key features of the approved policy include:

- **Objectives:** Key objectives of the policy include: (i) creating a sustainable Indian software product industry leading to a ten-fold increase in the share of global software product market by 2025, (ii) nurturing 10,000 technology startups in software product industry, (iii) creating a talent pool for software product industry through up-skilling ten lakh IT professionals and motivating one lakh students, and (iv) developing 20 software product development clusters.
- **Promoting industry:** The policy seeks to promote the software products industry by: (i) creating an Indian software product registry, (ii) facilitating participation of software companies in the capital market, and (iii) establishing a single window platform for fast-tracking legal issues regarding software product enterprises.

- **Promoting entrepreneurship:** A programme of incubation will be initiated to nurture at least 10,000 startups, of which 1,000 will be targeted in Tier-II and Tier-III towns and cities. Further, a Software Product Development Fund (SPDF), with a corpus of Rs 1,000 crore, will be created. This fund will fill the gap between capital requirements of software product enterprises and funding available from institutional lenders such as banks.
- **Skilling:** The policy noted that a FutureSkills programme has been initiated for up-skilling of 3 million IT professionals in emerging technologies. It stated that special emphasis on modules related to software products will be added to the programme. Further, a National Talent Accelerator programme will be initiated to target one lakh school and college students for software product development.
- **Implementation mechanism:** A National Software Product Mission will be created under the MeitY. The objectives of the Mission will include: (i) designing appropriate strategies for development of software product industry, (ii) monitoring initiatives under the policy with the aim of creating 3.5 million employment opportunities, and (iii) facilitating government agencies and other bodies in promotion of software products.

# Power

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## Hydro power projects declared as renewable energy sources

The Union Cabinet approved certain measures to promote the hydro power sector.[13,14] Key measures approved include:

- **Large hydro projects:** Large hydro power projects (capacity above 25 MW) will be considered as renewable energy sources. Earlier only small hydro projects (capacity less than 25 MW) were considered as renewable energy sources. However, the large projects will not be automatically eligible for any differential treatment for statutory clearances such as forest and environmental clearances, or impact assessment studies, that are available for smaller hydro projects.
- **Hydro Purchase Obligation (HPO):** HPO will be a separate category within the existing renewable purchase obligation (RPO, obligation on certain entities to purchase a fixed minimum percentage of power from renewable sources). It will cover all large hydro projects commissioned post this approval. The Ministry of Power will notify the trajectory for HPO targets based on the projected hydro capacity addition.
- **Tariff rationalisation:** Tariff rationalisation measures include: (i) providing flexibility to the developers to determine tariff by back loading of tariff (progressively increasing it) after increasing project life to 40 years, (ii) increasing debt repayment period to 18 years, and (iii) introducing escalating tariff of 2%.
- **Budgetary support:** Providing budgetary support for: (i) flood moderation component of certain hydro power projects, and (ii) funding cost of enabling infrastructure such as roads and bridges. The latter will be limited to Rs 1.5 crore per MW for projects up to 200 MW capacity, and one crore rupees per MW for projects above 200 MW.

## Certain recommendations of the High Level Empowered Committee on stressed thermal projects accepted

The Cabinet Committee on Economic Affairs approved the recommendations of the Group of Ministers constituted to examine the specific recommendations of High Level Empowered Committee (HLEC) constituted to address the issues of Stressed Thermal Power Projects.[15,16] The approved recommendations provide for certain changes to the coal linkage policy, SHAKTI. Key recommendations that have been approved include:

- All power plants (including private), which do not have power purchase agreements (PPAs), will be granted coal linkages by Coal India Limited (CIL), as per SHAKTI. These linkages will be provided for a period from three months up to one year. The power from these plants must be sold: (i) in the day-ahead market on power exchanges, or (ii) in short-term through transparent bidding process.
- A generator which terminates the PPA due to default in payment by the power distribution company (discom), may be allowed to use coal from the existing linkage for sale of power through short-term PPAs. Such sale would be allowed for a period of two years or until they find

another buyer under long/medium term PPA, whichever is earlier.

- Central and state generation companies can act as aggregators of power of stressed power assets and procure it through transparent bidding. They can offer this power to the discoms against their existing PPAs, till their own plants get commissioned. The central and state companies may use existing unutilised bridge linkages for such stressed assets, provided they meet certain guidelines.
- Any net surplus generated through the above methods (after paying operating expenses) will be entirely used for servicing the debt.
- The Ministry of Coal may earmark more coal for power sector under special forward e-auction by reducing the equivalent quantity from spot e-auction. CIL may earmark at least 50% of the total coal for e-auction for power.
- Discoms, CIL, other government bodies may be advised not to cancel PPAs, or fuel supply agreements, transmission connectivity, and other approvals including water even if the project is referred to the NCLT, or acquired by another entity. All clearances may be linked to the plant and not the promoter.

## Ministry of Power releases draft guidelines for short-term sale of power

The Ministry of Power released draft guidelines for the short-term sale of power.[17] The sale will be carried out by power generating companies and discoms through tariff based bidding process. Short-term sale of electricity includes electricity sold for a period of more than one day up to one year. The Ministry had earlier released guidelines for short-term sale of power in May 2012, and revised them in March 2016. Key features of the draft guidelines include:

- **Objectives:** Objectives of the draft guidelines include: (i) promoting competitive sale of electricity on short-term basis, (ii) providing opportunities to sellers to sell their power through transparent e-tendering process, (iii) improving power availability for consumers.
- **Scope:** As per the guidelines, a bidder or procurer (of short-term power) will include distribution licensees, open access consumers, and authorised representatives of the distribution licensees. Sale by multiple sellers will be allowed through a combined bid process.
- **Tariff structure:** The bidder will be required to quote the single tariff at delivery point. The tariff should be constant and not be escalated during the contractual period. If bids are invited for different time slots (of a day), then the tariff may be different for each time slot.
- **Guarantee to be submitted:** The bidders will be required to submit earnest money deposit (EMD, or bank guarantee) for the maximum capacity they seek to offer. The EMD will be forfeited if: (i) the bidder withdraws the bid during the bid validity period, or (ii) contract performance guarantee is not submitted or non-acceptance of Letter of Agreement by the successful bidder. The EMD of successful bidders will be refunded after furnishing the contract performance guarantee.
- **Bid evaluation:** For each requisition, there should be at least two bidders. If only one bidder responds, then the seller has discretion to continue with the sale, or annul it. The bidder will be evaluated as per the option chosen by the seller. The ranking will be done on the basis of time of submission, or tariff, or a combination of both.

## Cabinet approves various thermal and hydro power projects

The Cabinet Committee on Economic Affairs (CCEA) approved several thermal and hydro power projects.[18,19,20,21] Details of the projects are as follows:

**Thermal projects**

(i) A 2x660 MW Thermal Power Project has been approved in Buxar, Bihar at an estimated cost of Rs 10,439 crore. The plant will be set up by SJVN Thermal Private Ltd., a wholly owned subsidiary of SJVN Ltd., a mini ratna CPSU under the Ministry of Power.

(ii) A 2x660 MW Thermal Power Project has been approved in Khurja, Uttar Pradesh at an estimated cost of Rs 11,089 crore. The project will be set up by THDC India Limited (formerly Tehri Hydro Development Corporation Limited), a mini ratna CPSU under the Ministry of Power.

**Hydro projects**

(i) CCEA approved the construction of Kiru Hydro Electric (HE) Project, with a capacity of 624 MW, at an estimated cost of Rs 4,288 crore. The project will be located on River Chenab in Kishtwar, Jammu and Kashmir. It will be set up by M/s Chenab Valley Power Projects Private Limited (M/s CVPPPL). M/s CVPPPL is a joint venture company of NHPC Limited (formerly National Hydroelectric Power Corporation), Jammu and Kashmir State Power Development Corporation Limited, and PTC India (formerly Power Trading Corporation of India Ltd.), with equity shareholding of 49%, 49% and 2% respectively.

(ii) CCEA also approved the investment sanction for acquisition of M/s Lanco Teesta Hydro Power Limited and execution of balance work of the Teesta Stage-Vl HE Project by NHPC Ltd in Sikkim. The project will be implemented at an estimated cost of Rs 5,748 crore.

## Social Justice

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### Standing Committee submits its report on rationalisation of creamy layer in employment for OBCs

The Standing Committee on Welfare of Other Backward Classes (Chair: Mr. Ganesh Singh) submitted a report on the 'Rationalisation of Creamy Layer in Employment for OBCs in Services and Posts under the control of Government of India, including Union Territories, PSUs etc.[22] In its report, the Committee examined various issues related to the implementation of reservations for OBCs in government positions. Key findings and recommendations include:

- The Committee observed that an OBC candidate whose father was a Class II officer does not stand to benefit from the elevated rank of a parent who begins Class I service after the age of 40 years. Therefore, it recommended that the exclusion should not be applied to children whose parents enter Class I service after the age of 40. Further, it recommended that the creamy layer test should not be applied to the children of Class III employees.
- **Establishment of equivalence of posts:** The Committee noted that currently the criteria for exclusion of government employees from reservations will also apply to officers holding equivalent posts in public sector undertakings, banks, insurance organisations, universities, and the private sector. It recommended that necessary steps be taken to identify equivalent posts in autonomous organisations, in coordination with the appropriate Ministries.

For a PRS Summary of the Report, see here.

### Centre for Disability Sports to be set up in Gwalior

A proposal for the establishment of a Centre for Disability Sports in Gwalior, Madhya Pradesh was approved by the Government on March 3, 2019.[23] The Centre will be registered under the Societies Registration Act, 1860. Its establishment will cost Rs 171 crore over a period of five years.

The Centre will include an outdoor athletic stadium, an indoor sports complex, a sports science centre, and hostel facilities for athletes. Some of the sports identified for training include badminton, basketball, boccia, and para power lifting.

## Environment

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### National Cooling Plan launched

The Ministry of Environment, Forest, and Climate Change launched the India Cooling Action Plan (ICAP).[24] The ICAP provides recommendations to address cooling requirements across sectors, and ways to provide access to sustainable cooling for all over a 20-year period (by 2037-38). The main goals as outlined in the ICAP include:

- Supporting development of technological solutions in cooling and related areas;
- Reducing cooling demand across sectors by 20%-25% by 2037-38;
- Reducing refrigerant demand by 25%-30% by 2037-38;
- Reducing cooling energy requirements by 25%-40% by 2037-38; and
- Training and certifying one lakh servicing sector technicians by 2022-23.

### Hazardous and Other Wastes Rules amended

The Ministry of Environment, Forest and Climate Change (MoEF) amended the Hazardous Waste (Management and

Transboundary Movement) Rules, 2016.[25] Key amendments include:

- Solid plastic waste has been prohibited from import into India.
- Exporters of silk waste have been given exemption from requiring permission from the MoEF.
- Electrical and electronic assemblies and components manufactured in and exported from India can now be imported back into the country if found defective, within a year of export, without obtaining permission from the MoEF.
- Under the Rules, every industry engaged in dealing with hazardous waste is required to first obtain an authorization from the State Pollution Control Board. The request is required to be accompanied with a prior authorization (i.e. a consent to establish) under the Water (Prevention and Control of Pollution) Act 1974 and the Air (Prevention and Control of Pollution) Act 1981.
- As per the amendments, industries which are exempted from requiring consent under the under the Water Act and Air Act, are exempted from requiring authorization under the Rules if the hazardous and other wastes generated by such industries are handed over to the authorized actual users, waste collectors or disposal facilities.

# Housing and Urban Affairs

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## Model guidelines for development and regulation of retirement homes released

The Ministry of Housing and Urban Affairs released model guidelines for the development and regulation of retirement homes.[26,27] The population share of senior citizens is expected to increase from 8% in 2015 to 19% in 2050, to 34% by the end of the century. With rising income levels, a growing share of senior citizens is choosing to reside in commercially developed and professionally managed facilities known as retirement homes. These homes come under the category of real estate projects and are subject to the provisions of the Real Estate (Regulation and Development) Act, 2016. These model guidelines seek to protect the rights of senior citizens who reside in such homes.

Key features of the guidelines include:

- **Service Provider or Retirement Home Operator:** The guidelines define these as any person or entity, which is capable of and/or specialises in the operation and management of retirement homes. This may include on-site monitoring, personal care services, and any other relevant services, including basic maintenance services. The municipal corporations should frame rules to mandatorily register such entities. A retirement home would require specialised care and services for the elderly. If a promoter or developer is unable to provide such services, it may appoint a service provider or retirement home operator to perform such functions.
- **Alignment with other guidelines:** Retirement homes should be aligned with the norms prescribed in other codes such as the National Building Code, Model Building Bye Laws, and Harmonized Guidelines and Space Standards for Barrier Free Built Environment for persons with Disability and Elderly Persons.
- **Planning norms:** States/UTs should notify appropriate planning norms for retirement homes. These norms must include: (i) incorporating retirement homes as a permissible building category under 'residential' land use in the master plans, (ii) determining the land required for such homes, and conducting surveys for the same, and (iii) the average size of dwelling units in such homes.

## Committee constituted to recommend process for conferring ownership rights to residents of unauthorized colonies

The Union Cabinet approved the proposal for constitution of a committee to recommend the process for conferring ownership or transfer/mortgage rights to the residents of unauthorized colonies (UCs) in Delhi.[28] The committee will be chaired by the Lt. Governor of Delhi. Other members include: (i) Vice Chairman, Delhi Development Authority; (ii) Additional Secretary, Ministry of Housing and Urban Affairs, (iii) Chief Secretary, Government of NCT of Delhi; and (iv) Commissioners of East, North and South Municipal Corporations of Delhi. The Committee will submit its report to the Ministry of Housing and Urban affairs in 90 days.

# Home Affairs

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## The Jammu and Kashmir Reservation (Amendment) Ordinance promulgated

The Jammu and Kashmir Reservation (Amendment) Ordinance, 2019 was promulgated.[29] The Ordinance amends the Jammu and Kashmir Reservation Act, 2004. The Act provides for reservation in appointment and admission in professional institutions for persons belonging to Scheduled Castes, Scheduled Tribes, and socially and educationally backward classes (SEBC).

The Act classifies persons living in areas adjoining the Line of Control as SEBCs for the appointment to state government posts; requires them to serve in such areas for at least seven years; and exempts them from the creamy layer test. The Ordinance extends these provisions to those living near the international border.

For a PRS summary of the Ordinance, see here.

## The Constitution (Application to Jammu and Kashmir) Amendment Order, 2019 made by President

The Constitution (Application to Jammu and Kashmir) Amendment Order, 2019 was made by the President.[30] It amends the Constitution (Application to Jammu and Kashmir) Order, 1954. The 1954 Order makes various provisions of the Constitution of India applicable to Jammu and Kashmir. The 103rd Constitutional Amendment Act provides for ten percent reservation for economically weaker sections in educational institutions and public employment. The Amendment Order seeks to extend this reservation to Jammu and Kashmir. Further, benefits in promotions to Scheduled Castes and Scheduled Tribes under the Constitution will also be made applicable to the state of Jammu and Kashmir.

# Transport

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## Ministry of Road Transport releases Bulk Data Sharing Policy and Procedure

The Ministry of Road Transport and Highways released the Bulk Data Sharing Policy and Procedure.[31] The Ministry collects and holds data on issuance of Vehicle Registration Certificates (RC) and Driver Licenses (DL). Currently, this data is shared with specified agencies such as enforcement agencies, automobile industries, banks, and financial companies. The policy seeks to share this data for various purposes to help support the transport and automobile industry, and help improve service delivery to citizens. Key features of the policy include:

- **Data sharing:** Any organisation requesting data should be registered in India, with at least 50% ownership by an Indian resident or an Indian company. All bulk data accessed by the organisations must be processed and stored in servers within India. The data at any point should not be transferred, processed or stored in a server outside India.
- **Purchasing data:** Organisations will purchase the data for one calendar year at any time, and the data will be shared with them quarterly. Commercial organisations and individuals seeking bulk data will be required to pay an amount of three crore rupees for FY 2019-20. Educational institutions seeking bulk data for research purposes and for their internal use can buy it at a cost of five lakh rupees.
- **Procedures:** Data in bulk will be released in encrypted format. Organisations seeking access to data are required to provide security audit report as specified. All data provided will be non-transferable and cannot be re-sold. The organisations will be responsible to ensure that any activity which results in identification of individuals using the data set will not be undertaken.
- **Misuse of data:** Violators of these guidelines will be liable for any action permissible under the IT Act, 2000, or any other applicable law. Further, such organisations will be barred from accessing this data for a period of three years.

## Guidelines for resolution of stuck highway projects released

The Ministry of Road Transport and Highways released guidelines for the resolution of highway projects that have been stuck.[32] These guidelines were recommended by a High Powered Committee constituted in January 2019. These will apply to projects undertaken by the Ministry through the National Highways Authority of India (NHAI), the National Highways and Infrastructure Development Corporation Limited, or the state public works department.

**Stuck projects:** Stuck projects include projects where the work has stopped due to: (i) inability of the concessionaire to execute the project due to proceedings initiated against it before the National Company Law Tribunal, under the Insolvency and Bankruptcy Code, 2016, or certain provisions of the Companies Act, 2013, or (ii) default by both the government authority, and the concessionaire. The guidelines address three types of stuck projects:

(i) **Engineering, Procurement, Construction (EPC) mode:** Projects awarded under EPC mode that have classified as stuck may be fore-closed through a mutual agreement between the government authority and the concessionaire. The authority will pay for the work completed as per the milestones set out in the initial agreement.

(ii) **Build, Operate, Transfer (BOT) mode:** Stuck projects awarded under BOT mode may also be foreclosed through a mutual agreement. The government authority will pay a final settlement amount equivalent to: (a) the value of work done, or (b) 90% of the debt due (derived on the basis of total project cost as determined by NHAI), whichever is lower.

(iii) **Projects awarded on item rate basis:** For these projects, the government authority will pay the concessionaire an amount calculated according to the damages mechanism provided under the contract.

For projects not covered under these guidelines, provisions of the agreement mutually binding on both parties may be applied and followed.

## Advanced braking systems made mandatory for certain vehicles

The Ministry of Road Transport and Highways released a notification mandating advanced braking systems, technologies and performance requirements for certain vehicles.[33] These vehicles include motor vehicles (with at least four wheels) used for the carriage of: (i) passengers and their luggage, and (ii) goods. All existing vehicles will be required to adopt these new provisions by April 1, 2022. All new vehicles manufactured on or after April 1, 2021 will be required to have these technologies pre-fitted. These advanced braking technologies include anti-lock braking system, electronic stability control system, and brake assist system.

## White Paper on National Green Aviation Policy released

The Ministry of Civil Aviation released a White Paper on National Green Aviation Policy.[34] The policy seeks to enable, promote and strengthen all inclusive, green and sustainable growth of air transportation in India. Key features of the policy include:

- **Objectives:** Objectives of the policy include: (i) making Indian aviation one of the most resource efficient sectors without compromising on environment and ecological protection, (ii) enabling and promoting the usage of renewable energy in the civil aviation sector, (iii) ensuring implementation of Environmental Management System approach across aviation units, (iv) reducing greenhouse gases and other gaseous emissions in line with national and global frameworks, and (v) creating a favourable regulatory regime for clearances of aviation projects, with due care to environment sustainability.
- **Airport master planning:** While developing the Airport Master Plan, all airports must consider all policy areas, including environment impact assessment as per guidelines of the Ministry of Environment, Forest and Climate Change.
- **Green Infrastructure Program:** All aviation stakeholders should adopt green infrastructure guidelines while designing, constructing, operating, maintaining, renovating and during demolition of infrastructures. Such guidelines are specified by the Indian Green Building Council, the U.S. Green Building Council, Green Rating for Integrated Habitat Assessment, or any equivalent standards.
- **Greenhouse Gas Emissions and Climate Change:** All aviation stakeholders should assess, minimise and mitigate greenhouse gas emissions under their direct control. DGCA will prepare a framework to advice all stakeholders to adopt measures to reduce emissions in all areas including aircraft, ground support, and airport infrastructure.
- Other policy areas identified under the policy include noise management, waste management, water management, land, soil, habitat and biodiversity, and spills, releases and other incidents.

## CCEA approves revival of certain un-served and under-served air strips

CCEA approved the extension of time and scope for the revival and development of certain un-served and under-served air strips, helipads, and water aerodromes.[35] These airstrips are under state governments, Airports Authority of India, civil enclaves, and Central Public Sector Undertakings. The total cost will be Rs 4,500 crore and will be provided in the form of budgetary support from the central government.

## Water Resources

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### Cabinet approves the Flood Management and Border Areas Programme

The Union Cabinet approved the Flood Management and Border Areas Programme (FMBAP) with an aim of effective flood management and erosion control.[36] The scheme will have an outlay of Rs 3,342 crore for the period 2017-18 to 2019-20.

FMBAP has been framed by merging two previously continuing schemes, namely the "Flood Management Program," and the "River Management Activities and Works related to Border Areas". Salient features of the scheme include: (i) assisting state governments in providing protection against floods through structural and non-structural measures, (ii) completing on-going projects previously approved under the Flood Management Program, (iii) conducting hydro-meteorological observations and flood forecasting with neighbouring countries, and (iv) surveying and investigating water resource projects on common rivers with neighbouring countries.

## Corporate Affairs

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### National Guidelines on Responsible Business Conduct released

The Ministry of Corporate Affairs released the National Guidelines on Responsible Business Conduct.[37] These Guidelines revise the National Voluntary Guidelines on the Social, Environmental and Economic Responsibilities of Business, 2011 (NVGs).[38] The NVGs lay down basic requirements for businesses to function in a responsible manner. The new Guidelines seek to capture key national and international developments in the sustainable development agenda and business responsibility field since the NVGs. These include updation in accordance with principles of the Companies Act, 2013 and the UN Sustainable Development Goals.

The Guidelines are articulated as a set of nine principles, along with 'Core Elements' of each principle. These Core Elements are requirements or actions that are needed to implement the principle. The principles are:

- Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable.
- Businesses should provide goods and services in sustainable and safe manner.
- Businesses should respect and promote the well-being of all employees, including those in their value chains.
- Businesses should respect the interests of all its stakeholders.
- Businesses should respect and promote human rights.
- Businesses should respect and make efforts to protect and restore the environment.
- Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
- Businesses should promote inclusive growth and equitable development.
- Businesses should provide value to their consumers in a responsible manner.

### Insolvency Law Committee re-constituted as a permanent committee

The Ministry of Corporate Affairs re-constituted the Insolvency Law Committee as a Standing Committee for reviewing implementation of the Insolvency and Bankruptcy Code, 2016 on a continuous basis.[39] The Ministry noted that the provisions of the Code are constantly evolving based on various judgements and amendments to the Code. It therefore recommended having an advisory body for continuous guidance and stakeholder consultations based on issues arising out of implementation of the Code.

The Committee will identify the issues impacting the effectiveness of the corporate insolvency resolution and liquidation process under the Code and make suitable recommendations. It will also study the insolvency resolution and bankruptcy framework for individuals and partnership firms and make recommendations for its successful implementation.

The Committee will comprise 14 members, including: (i) Secretary, Ministry of Corporate Affairs as Chairperson, (ii) Chairperson of the Insolvency and Bankruptcy Board of India, and (iii) Sunil Mehta, Managing Director, Punjab National Bank.

The Committee may also invite or co-opt experts with knowledge or experience in insolvency, law and economics and representatives from other regulators or Ministries.

## Information and Broadcasting

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### Ministry releases revised guidelines for the Journalists Welfare Scheme

The Ministry of Information and Broadcasting (MIB) released revised guidelines for the Journalist Welfare Scheme.[40] The scheme aims to provide one-time financial support to journalists and their families in extreme hardship. The key features include:

- **Committee:** A Committee will be constituted, with the Secretary of MIB as the chairperson, to administer the scheme. The Committee will meet at least once a quarter, to take decisions on cases received during the period.
- **Eligibility:** Journalists will be eligible for the scheme provided they are: (i) citizens of India, (ii) ordinarily resident in India, and (iii) accredited to the Press Information Bureau. Those journalists who are not accredited with the Bureau will also be eligible for the scheme, if they have been journalists for a minimum period of five continuous years. Journalists covered under the scheme include newspaper and television journalists, but does not include individuals in a managerial, administrative, or supervisory capacity.
- **Financial assistance:** The details of financial assistance under the scheme is as follows: (i) up to Rs 5 lakh may be provided to the family in case of death of journalist, (ii) up to Rs 5 lakh may be provided to the journalist in case of permanent disability which makes them incapable of earning a livelihood, (iii) up to Rs 3 lakh may be provided for cost of treatment of major diseases such as cancer or heart ailments, subject to certain conditions, and (iv) up to Rs 2 lakh may be provided in case of accidents causing serious injury requiring hospitalization. Benefits under the scheme will transferred only to Aadhaar seeded bank accounts of beneficiaries.

## Food and Public Distribution

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### CCEA approves provision of loans to sugar mills and distilleries for increasing their ethanol production capacity

The Cabinet Committee on Economic Affairs (CCEA) approved the provision of loans to sugar mills and molasses based standalone distilleries for increasing their ethanol production capacity.[41] Loans worth Rs 15,500 crore have been approved along with Rs 3,355 crore towards interest subvention on these loans.

Of the approved amounts, Rs 12,900 crore of loans will be provided to sugar mills with Rs 2,790 crore towards interest subvention. In June 2018, the CCEA had approved Rs 6,139 crore of loans to sugar mills for the same purpose, with Rs 1,332 crore towards interest subvention.

The loans are being provided with the aim of improving the liquidity of sugar mills through increased revenue from sale of ethanol. This additional cash flow would facilitate sugar mills in clearing dues of sugarcane farmers.

Molasses based standalone distilleries (i.e. distilleries not integrated with any sugar mill) will be provided loans of Rs 2,600 crore with Rs 565 crore towards interest subvention.

Increased supply of ethanol from the molasses based distilleries and sugar mills would result in its higher availability for blending with petrol. This would help in achieving the blending target under the Ethanol Blended Petrol programme. The programme provides a 10% target for blending ethanol with petrol to help reduce vehicle exhaust emissions and reduce the import burden for petroleum.

Interest subvention on the loans will be provided by the central government for a period of five years. It will be provided at the rate of 6% per annum or 50% of the rate of interest charged, whichever is lower.

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